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The COMMERCIAL and FINANCIAL CHRONICLE

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WITH WHICH HAS BEEN COMBINED THE FINANCIAL REPORTER

Volume 154 Number 3994 New York, N. Y., Thursday, October 16, 1941 Price 40 Cents a Copy

"JOTTINGS"

Believe it or not, that long-awaited industrial revolution in the residential building industry may be on the way at long last, after all. Just don't keep your eye single for the one phrase "pre-fabricated housing" and you can see signs of it on all sides. True, the pre-fabricated housing people are putting up as many houses in a month now as they used to put up in a year. But there are lots of other signs. One was the uproar in Washington over rejection of the Currier low bid on a government housing job. Another is the government's Indian Head project in Maryland where the builders, in a test case, took down a house, jolted it round over 30 miles of Maryland highway, brought it back and set it up complete in eight hours with a loss of only about 2% of the materials ruined in the process; government officials are keen about the word "demountable." Another is the housing job being done at the Glenn Martin plant, where five men per house are slapping the job together in 35 man hours from floor to ridge-pole, using Celotex's Cemesto walls which in 1½ inches of thickness contain all the insulation, weather-proofing, tightness, durability and sturdiness that used to require outside and inside walls, studs, lathes, plaster, paint, etc. But the gist of the matter is that through new priority rules residential building is being channelled into low-cost, defense - area mass - production where the normal resistances to modern methods—i.e. trade union restrictions and obsolete building codes—are least effective against the argument of emergency and national defense.

The Berlin stock market has been going through some strange gyrations this year. Last March the government put a lid of 6% on dividends and the market had a "black week." But then it was realized that the 6% limit was largely for public consumption and could be avoided by stock dividends or recapitalization. Furthermore there's little else except stocks into which to put spare cash. So the market rose almost steadily until September, piling the index up from round 175 to round 215, when the government

(Continued on page 607)

OUR REPORTER'S REPORT

Several recent offerings of utility securities have found the investment banking fraternity, as indicated by bids submitted, seemingly "poles apart" on the matter of price ideas. But, as explained by several of their number, there is not, actually, any such wide divergence as would appear to be suggested.

Quite to the contrary, it was pointed out, making allowance for certain conditions surrounding the several bids for the issues in question, much of the indicated differential evaporates.

In the case of both the Gulf Power Company issue and that of the Mississippi Power bonds, sold within the last week, the tender of the successful groups have appeared to have been all out of proportion to bids submitted by other syndicates seeking the business.

But, it was pointed out, the winning bids in both the above-mentioned undertakings, were based on potential buying orders which the successful groups had in hand before seeking out the business. In other words their bids, were in effect partially "agency bids" since they already had tenders for the bulk of the issues from prospective buyers.

In short, their bids were based on the price ideas of institutional buyers and included the "spread" which would have been necessary if the bonds in total were to be marketed the regular way. Buyers who hold such potential orders, it was pointed out, could not go in and underbid their prospective customers.

Trend Begins to Show

Underwriters are satisfied that the trend toward a future formula for bidding in competition

(Continued on page 604)

SEC Commissioner Perturbed

American Investors Don't Buy Stocks!

On October 9th, Edmund Burke, Jr., Commissioner of the SEC made a speech in Biloxi, Miss. Mr. Burke was disturbed—in fact he was agitated. He said he was concerned over the future of America. And why was he concerned over this country's future? Prepare yourselves for a shock.

Mr. Burke thinks the future of America is being jeopardized because for the past ten years American investors have not been putting their money into new stock issues. How do you like that? Not only, says Mr. Burke, have the investors ceased buying common stocks in new enterprises but the businessmen and the investment bankers, in his opinion, have not been offering enough of such stock issues to the investing public.

To top it off and here's the biggest joke of all, Mr. Burke appears to be in the dark as to why this lack of stock financing has come to pass, and says something will have to be done about this sad state of affairs. This is one point upon which we agree with the Commissioner and although we are quite certain that Mr. Burke is not so lacking in understanding as to be ignorant of the real reasons for the

(Continued on page 602)

INDEX

Page
Bank and Insurance Stocks 598
Calendar of New Security Flotations 605
Investment Trusts 599
Jottings 593
Municipal Market (The) 600
Our Reporters Report 593
Personnel Items 596
Railroad Securities 597
Securities Salesman's Corner (The) 599
Tomorrow's Markets—Walter Whyte Says 595
Uptown After 3 604
Bond Selector (The) 608
Whisperings 601
SEC Commissioner Pereturbed 593
Urges Listing of all Issues 594
Our Reporter on Governments 595
Non-Essential Construction Prohibited 602
Proposed SEC Law Changes Hit Small Dealer 598

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Rea, NY Curb President, Urges Required Listing for All Securities Before Sale

In presenting a picture of "the importance of securities and of securities markets in our economic structure," George P. Rea, President of the New York Curb Exchange, in an address at Biloxi, Miss., on Oct. 8 said:

> In an industrialized nation the widespread distribution of corporate securities is an essential, not only of our economic structure but of our political system as well. When a major part of our people own securities and when they look to the exchanges as the means of putting their capital savings to work or of withdrawing their investment at need, we shall have no fear of radical changes that might block our social and economic progress. That is why the securities industry is one of the strongest forces in guaranty of everything that America means.

Mr. Rea's address was delivered before the annual Convention of the National Association of Securities Commissioners and in an appeal to them that, as a condition to the sale of securities in their states, they require the listing of such securities, he referred to the various measures in force to "insure your citizens all possible protection" before permitting them to invest, and in pointing to further essential protection he said:

> I am not familiar with the statutes of your various states. I assume that they do not give you the power to impose as a condition to the sale of securities in your states the listing of such securities. But you may at least urge those seeking your approval of an issue to apply for its listing. This cannot fail to exert a powerful influence. You may also call the attention of investors to the protection afforded by an exchange market. Most effective of all, you may urge your respective legislatures to make as a condition of your approval of an issue its listing, when suitable, on a national securities exchange.
>
> Now I have an idea that when what I have suggested to you gets into discussion I will be accused of attempting to create a monopoly for exchanges. If that is so, there will be more than a faint ordor of red herring in the air. What I am urging is competition—and competition in its keenest sense, through which the investor may profit. To my mind it is no more reasonable to restrict the investor to but one market—the dealer market—than it is to restrict him to one grocery store. Yet that is frequently the fact. Securities which are not listed enjoy a monopoly—a dealer monopoly. While securities which are listed can be traded either on the Exchange or over the counter.
>
> Exchanges do not object to competition. In fact we welcome competition. We go further—we insist that if a better price is available outside of the Exchange, a member must secure it for his customer. It is only when the Exchange price and the outside price are at worst, the same that we expect the business on the Exchange.
>
> What I am really suggesting is to extend this field of competition by listing on exchanges securities which qualify in size and capitalization and to let the investor himself decide which market best suits his individual needs. This, then, is the crux of my position.
>
> I have earnestly made this plea to you for several reasons. I believe in exchange markets. I believe that your interest in exchange markets is justified because of your responsibility to your public and for their protection.
>
> And for the protection of the public, the business of dealing in stocks and bonds must be centered on the Exchanges.
>
> I am not speaking for the profits of brokers and securities dealers. I am thinking in terms of the welfare of every school teacher who has saved some of her salary, every machinist who works for a great corporation, every man with an idea that will build a fuller life for the people if he can find the capital with which to develop it. They are the ones we must have in mind.
>
> Some day sooner or later the fire which is raging in Europe will be put out and the work of rehabilitation will commence. With its wealth and resources, this country will be called upon to lead the way.
>
> That wealth to a great degree, is in securities. Our banks, our insurance companies, our churches and our institutions own an enormous volume of securities, and their value is measured on the basis of current exchange market prices. To make these enormous reservoirs of capital available for use, the securities must be salable—in other words, liquid—or our entire structure may be in danger.
>
> You will recall our last great depression. Many banks and insurances companies held real estate mortgages—good ones, too. The fault was not with the mortgages. The fault was that they could not be sold and cash could not be realized—they were not liquid.
>
> Let us not have such a thing happen as to securities. Put your weight along with ours to encourage the listing of securities on exchanges and to insure this liquidity of exchange markets.

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Chgo. Clearing Corp. Elects New Officers

At the annual meeting of the Chicago Stock Clearing Corporation, subsidiary of The Chicago Stock Exchange, held Oct. 9, the following were elected directors for the ensuing year:

Morton D. Cahn, partner Morton D. Cahn.

Charles J. Cullen, partner Langill & Co.

Ralph W. Davies, chairman Exchange Executive Committee and partner Paul H. Davis & Co.

Thomas L. Dowd, cashier, Lamson Bros. & Co.

Alfred H. Gansberg, office manager, Winthorp, Mitchell & Co.

Anthony Godie, office manager, Fuller, Cruttenden & Co.

Paul B. Skinner, chairman Exchange Finance Committee and partner Hornblower & Weeks.

Kenneth L. Smith, president, Chicago Stock Exchange.

The announcement further states:

> Messrs. Cullen, Dowd, Gansberg and Godie, the new members of the Board, are practical office managers. The corporation has been planning major extensions of its services to Chicago Stock Exchange members and these men were chosen so the plans might be considered from every practical angle.
>
> Mr. Smith was reelected President, C. R. Bergherm, Vice-President and Martin E Nelson, Secretary. William F. Black is the new Treasurer and Harold I. Kramer, the new Assistant Treasurer and Manager.

Adams & Sprang Join Revel Miller & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Harry A. Adams and Robert F. Spang have become associated with Revel Miller & Co., 650 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Adams was formerly vice-president of William A. Lower & Co. Mr. Sprang was recently in charge of the investment research department of Turner-Poindexter & Co.; in the past he was manager of the statistical department for Revel Miller & Co.

STANY Meetings for 1941-42 Nominations

The Nominating Committee of the Security Traders Association of New York will hold open meetings on Oct. 17 and Oct. 20 at 4 p.m. at the New York Produce Exchange Luncheon Club to receive suggestions for officers and directors for the ensuing year. Members unable to attend should write their suggestions to the Secretary of the Committee, Frank E. Mulligan, C. A. Saxton & Co., Inc., 70 Pine Street, New York City.

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Southeastern Group of IBA Elects Officers

BALTIMORE, MD.—The Southeastern Group of the Investment Bankers Association of America, composed of I. B. A. members in Maryland, Virginia, North Carolina, the District of Columbia, and part of West Virginia, held its annual election of officers here on Oct. 10.

J. Elliott Irvine, Mead, Irvine & Co., Baltimore, was elected Chairman of the Group, succeeding James Parker Nolan, Folger, Nolan & Co., Washington. Edward C. Anderson, Scott & Stringfellow, Richmond, Va., and Robert C. Kirchofer, Kirchofer & Arnold, Raleigh, N. C., were elected vice-chairmen.

L. Clark Brown, Brown, Goodwyn & Olds, Washington, succeeds William W. Mackall, W. W. Mackall & Co., Washington, as secretary treasurer.

John B. Ramsay, Jr., Mead, Irvine & Co., was elected to the executive committee, on which Robert B. Hobbs, W. W. Lanahan & Co., Baltimore, was also named to serve another year as ex-officio member. Mr. Hobbs is a member of the Board of Governors of the national association.

Mecke to Manage New Content, Hano Dept.

Content, Hano & Co., members of the New York Stock Exchange with offices in Philadelphia, New York and Baltimore, have announced that Mr. Reginald V. Mecke, formerly with Smith, Barney & Co., is now associated with the firm in charge of their account supervision department in the New York office, 39 Broadway.

Mr. Mecke has for many years been identified with account supervision work. His affiliation with Content, Hano & Co. as head of this department is in line with the general policy of the firm to expand their advisory and research service to clients.

Tomorrow's Markets Walter Whyte Says——

Action of the market, considering all that it has to cope with, is not as bad as one might be led to believe; our stocks are still for the most part several points away from their critical levels; detailed suggestions below.

By WALTER WHYTE

It isn't enough to write about last week's poor market action and come to the conclusion that from now on everything would be bad, or contrariwise, swell. It's not easy as all that. There are entirely too many factors to consider to come to any such snap decision.

* * *

But before I go off on a tangent allow me to point out that considering all the news present day markets have to cope, the action isn't as bad as you would be led to believe. True, there's nothing to write home about. Still, with conditions being what they are, that's more or less to be expected.

* * *

Right now the biggest market factor is the war. Everything the market can do, or will do, from here on will either be a reflection of the changing tides of armed conflict or the anticipation of a worsening or improvement in our relations with the Axis powers, Germany, Japan or Italy. Any other occurrence will play a poor second.

* * *

Right now Russia is losing, and England, which to most of us seems to have a God-given opportunity to attack in the west, is doing little.

* * *

A week or so ago Beaverbrook gave a pep talk promising 50,000 tanks to Russia, implying that the United States would furnish them.

(Continued on page 604)

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Our Reporter On "Governments"

By this time, the excitement of the Treasury's $1,500,000,000 financing is all but over. . . . You've subscribed for your bonds, you're read the figures on allotments, you've figured your profit on the comparatively small total of bonds you were able to purchase, you're now ready to turn to other angles of your investment program. . . . But while the issue itself is out of the way, the implications of this most recent deal are likely to become more apparent to you as the months roll by. . . . For there was more to this operation than just an extraordinarily easy way to get some Government bonds and freeze some profit. . . .

In the first place, there is the fact that Secretary Morgenthau chose to sell a long-term bond—the longest maturity, in fact ever placed on a regular Government obligation. . . . This action indicated two things. . . . (1) That Morgenthau is now psychologically set to issue distant-date securities whenever the market permits and (2) That the Treasury and Federal Reserve System believe interest rates will remain generally around today's levels. . . . Perhaps they won't stay here all the time, but had Morgenthau and his assistants any expectation for a wide-open break in Government bond prices, they never would have offered 31-year 2½s. . . . They never would have floated an issue that could crack 5 or 10 points on any marked change in interest rate movements. . . . For they wouldn't want to risk having that deed on their conscience, that development as a blot on this Administration's financial record. . . .

To repeat, if these comments are correct—and they're backed by authoritative sources—the implications of this deal will be with us for many, many months to come. . . .

The "Rights"

Another thing. . . . By issuing such attractive securities — immediately after the formal offering, the 2½s of 1972 were qu-ted of-the-record at 103⅜—Morgenthau has set himself a standard which he will be forced to follow to a certain extent, at least, during the rest of this fiscal year. . . .

The fact is that the "rights"—the maturing 1¼s of December 15—were trading at 102⅝ last Wednesday afternoon. . . . Even this premium, surely large enough, was considered highly unusual. . . . Rarely have "right" values exceeded 1¾ or 2 points the day before an expected issue—even a bond issue. . . .

But the new 2½s were worth 3½ points—not 2⅝ points. . . . The price of the "rights" skyrocketed the morning of the formal offering. . . . The premium paid for the "rights" to refund the 1¼s into the new 2½s last Thursday reached the highest level on record. . . . The profit on the new 2½s last Thursday morning established an all-time peak. . . .

And now here's the setup. . . .

Either Morgenthau must continue to make his new bond issues highly attractive—worth 2 points or more—or he must risk disappointing a large group of professionals and investors who are betting on his continued generosity. . . .

Which will be his choice? . . . Impossible to say at this date, of course, but that is a clearly defined situation from now on. . . . And just to make a guess—it is this column's belief that as long as the foreign and domestic situations continue so troubled, new bond issues are going to be extremely "sweet." . . . (This was the forecast a few weeks ago, incidentally). . . .

And that carries right into the subject of free-riding for institutional and individual investors. . . .

(Continued on page 598)

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DIVIDEND NOTICES

HOMESTAKE MINING COMPANY
Dividend No. 846

The Board of Directors has declared dividend No. 846 of thirty-seven and one-half cents ($.37½) per share of $12.50 par value Capital Stock, payable October 25, 1941 to stockholders of record 3:00 o'clock P. M. October 20, 1941.

Checks will be mailed by Irving Trust Company, Dividend Disbursing Agent.

R. A. CLARK, Secretary.

October 7, 1941.

NYSE Short Interest Higher on Sept. 30

The New York Stock Exchange announced Oct. 8 that the short interest existing as of the close of business on the Sept. 30 settlement date, as compiled from information obtained by the Exchange from its members and member firms, was 486,912 shares, compared with 470,002 shares on Aug. 29, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Sept. 30 settlement date, the total short interest in all odd-lot dealers' accounts was 48,588 shares, compared with 50,190 shares, on Aug. 20.

Of the 1,236 individual stock issues listed on the Exchange on Sept. 30, there were 24 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during the month. On Aug. 29, when there were 1,233 individual stock issues listed on the Exchange, 22 issues showed a short interest of more than 5,000 shares or had a change in the short position of more than 2,000 shares during the month of August.

The number of issues in which a short interest was reported as of Sept. 30, exclusive of odd-lot dealers' short position, was 420 compared with 430 on Aug. 29, 1941.

In the following tabulation is shown the short interest existing at the close of the last business day for each month since the beginning of 1939:

1939—	
Jan. 31	447,543
Feb. 28	536,677
Mar. 31	529,559
Apr. 28	662,313
May 31	667,804
June 30	651,906
July 31	481,599
Aug. 31	435,273
Sept. 29	570,516
Oct. 31	523,226
Nov. 30	479,344
Dec. 29	381,689
1940—	
Jan. 31	454,922
Feb. 28	485,862
Mar. 29	488,815
Apr. 29	530,594
May 31	428,132
June 28	446,957
July 31	479,243
Aug. 30	474,033
Sept. 30	517,713
Oct. 31	530,442
Nov. 29	515,458
Dec. 31	459,129
1941—	
Jan. 31	498,427
Feb. 28	487,151
Mar. 31	537,613
Apr. 30	510,939
May 29	496,892
June 30	478,859
July 31	487,169
Aug. 29	470,002
Sept. 30	486,912

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STANY Bowlers After Phila. Traders Scalps

The Security Traders Association of New York announces that the bowling season will soon open and urges all members to register in order that a champion team may be formed to beat the Investment Traders Association of Philadelphia this year.

In order to get alleys it is important that all those intending to bowl this year get in touch with the Committee immediately—call Bill Conary, B. W. Pizzini & Co., Bowling Green 9-6400, or Duke Hunter, Hunter & Co., Whitehall 4-2968.

Chgo. Exchange Elects Howe to Bd. of Govs.

Lawrence Howe, partner of Shearson, Hammill & Co., has been elected to the Board of Governors of the Chicago Stock Exchange to fill a vacancy, it was announced on October 9. Mr. Howe will serve as a non-member governor until the annual election of the Exchange in June, 1942. In its announcement the Stock Exchange says:

> Under the Constitution of the Exchange, four members of the Board of Governors may be non-member partners. Messrs. Roy E. Bard, Sutro Bros. & Co., and George E. Barnes, Wayne Hummer & Co., are the other such members of the Board, having been elected last June after the Constitution was changed to provide for non-member governors.

Broadens Membership Base

At a meeting held on Oct. 8, the Board of Governors of the Chicago Stock Exchange approved and adopted in principle a proposal to broaden the base of the membership of the Exchange by removal of the present restriction which makes ineligible for membership an applicant who is an officer of a corporation engaged in dealing with the public as a broker or dealer in investment securities. Counsel and staff officers of the Exchange have been authorized to proceed with the formulation of the practical details. In a letter to members, Arthur M. Beets, Chairman of the Exchange, explained:

> It was determined by the Governors that memberships held by security dealers who conduct primarily an investment business might prove an important factor in the development of the Exchange and would be particularly desirable under present market conditions. In view of the fact that the major portion of investment dealers who are not now stock exchange members operate under the corporate form, the proposed departure from stock exchange "partnership tradition" is necessary.

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PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

BOSTON, MASS. — **Emile P. Mettetal** has been added to the staff of **Ballou, Adams & Company, Inc.,** 49 Federal Street.

(Special to The Financial Chronicle)

BOSTON, MASS.—**George P. Brophy** has become connected with **J. Arthur Warner & Co.,** 10 Post Office Square.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Eugene Frank Hoya** has become associated with **Swift, Henke & Co.,** 135 South La Salle Street. For the past ten years Mr. Hoya has been connected with Winthrop, Mitchell & Co.

(Special to The Financial Chronicle)

CINCINNATI, OHIO—**John C. Fanger** has joined the staff of **Westheimer & Co., 326** Walnut Street. Mr. Fanger was in the past connected with H. B. Cohle & Co., J. S. Todd & Co., Hill & Co. and the local office of J. S. Bache & Co.

(Special to The Financial Chronicle)

DAYTONA BEACH, FLA.—**Rollin E. Baker** has become connected with **Guaranty Underwriters, Inc.,** 127 Orange Ave.

HOUSTON, TEX.—**Milton R. Underwood & Co.,** Gulf Building, announce that **Mrs. Minnie P. Wade** has become associated with them in their retail sales department. Mrs. Wade has recently been in business in Houston under her own name.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Eugene M. Grant,** formerly with General Industries Corp., Ltd., has become associated with **Adams-Chadwick Co.,** 650 South Spring Street.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Richard K. Hexter** has become associated with **H. R. Baker & Co.,** whose main office is located in the Russ Building, San Francisco.

(Special to The Financial Chronicle)

MIAMI, FLA.—**George Henry Davis** has been added to the staff of **United Securities Corp.,** Biscayne Building.

(Special to The Financial Chronicle)

MINNEAPOLIS, MINN.—**Lawrence Walter Klopp,** previously with Woodard-Elwood & Co., is now associated with **Wittenberg Merrick Co.,** Northwestern Bank Building.

(Special to The Financial Chronicle)

ORLANDO, FLA.—**Edgar Arthur Densmore,** in the past with Thomson & McKinnon, and **Earl James Weadock,** formerly with Florida Bond & Share, are now affiliated with **Guaranty Underwriters, Inc.,** 24 Wall Street.

(Special to The Financial Chronicle)

SANTA MONICA, CALIF.—**Frank Joseph Perry** has become affiliated with **Schwabacher & Co.,** Bay Cities Building. Mr. Perry was previously with Searl-Merrick Co.

(Special to The Financial Chronicle)

ST. PAUL, MINN.—**Louis William Bucholz,** for many years with Kalman & Co., is now associated with **Central Republic Co., Inc., Inc.,** First National Bank Building.

(Special to The Financial Chronicle)

SPRINGFIELD, ILL.—**Roscoe E. Bramlet** has joined the staff of **Uhl, Matheny & Co.,** First National Bank Building. Mr. Bramlet was formerly with Fernandes & Co. and prior thereto with Thompson, Davis & Phipps, Inc., and Newhard, Cook & Co.

We are pleased to announce that

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R. W. Denton, Jr. Is With G. H. Walker Co.

G. H. Walker & Co., 1 Wall Street, New York City, members of the New York Stock Exchange and other national exchanges, announce that Richard W. Denton, Jr. has become associated with their trading department. Mr. Denton was formerly New York manager for Reinholdt & Gardner,, prior thereto being with that firm in St. Louis; in the past he was connected with the St. Louis office of the First Boston Corp.

Harry Sebel Associated With Straus Securities

CHICAGO, ILL.—Harry L. Sebel has become associated with Straus Securities Co., 135 South La Salle Street. Mr. Sebel for the past seven years has been wholesale representative for A. R. Hughes & Co. in eight middle western states. He will continue to contact the investment dealers in this area for the wholesale and trading departments of the Straus company, which has direct private wires to Los Angeles, Dallas, Saint Louis, Detroit, Boston, and two to New York City.

T. T. Sweeny Elected E. H. Rollins V.-P.

E. H. Rollins & Sons, Inc., 44 Wall Street, New York City, announces the election of T. Tyler Sweeny as vice-president. Mr. Sweeny has been associated with the firm since 1930, during which time he has been engaged in various phases of the investment business and more recently in the buying department of the firm.

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E. Drew New Sec. of ABA Public Relations

Edward Drew, public relations director of the California Bankers Association, will join the American Bankers Association, on Dec. 1 as Secretary of its Public Relations Council, it was announced on Oct. 8 by Henry W. Koeneke, President of the A.B.A., who is President of the Security Bank of Ponca City, Ponca City, Okla. Mr. Drew has long been associated with banking in his native state of California, having been connected with the Union Trust Company, now the Wells Fargo Bank and Union Trust Co. in San Francisco and the American Trust Company, serving that institution in various capacities. He held successively the titles of advertising manager, Assistant Trust Officer, Assistant Vice-President and Vice-President. He has been a member of the A.B.A. Public Relations Committee and Trust Information Committee and is a past president of Trust Division of The California Bankers Association.

For the past two years Mr. Drew has been Director of Public Relations of The California Bankers Association.

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Business Failures Down in September

Insolvencies in the business sphere in September dropped sharply, both from the preceding month and from the corresponding month of last year, thereby establishing a low not only for the year to date but also since January, 1939, when Dun & Bradstreet started to compile the figures on the present basis. Failures seasonally fall off in September and in most years establish their lowest levels in that month; the decrease from August this year was the most marked since 1933 and it remains to be seen whether the year's low was reached. The failures last month numbered 735 instances with current liabilities totaling $9,393,000. In August 954 firms failed for $11,134,000 and in September, 1940, 976 firms for $11,397,000.

All of the broad commercial and industrial divisions of the insolvencies participated in the general reduction from the corresponding month and only the commercial service group failed to drop from September. The retail division, which alone comprises the greater part of the total, had only 460 casualties involving $3,239,000 last month in comparison with 588 involving $3,563,000 in September, 1940. Manufacturing disasters dropped to 123 with $4,189,000 liabilities from 173 with $4,740,000 a year ago. In the wholesale division failures dropped to 67 with $924,000 liabilities from 588 involving $3,563,000 last year. Only 39 construction firms failed for $594,000 compared with 58 for $893,000 a year ago. The commercial service division had 46 casualties involving $447,000 compared with 49 involving $541,000 a year ago.

Not quite all parts of the country had a part in the general improvement in September, it appears from the breakdown of the figures by Federal Reserve Districts. The Boston District had more failures, for instance, than in the previous month or the corresponding month; Cleveland had more than last year and St. Louis and Minneapolis had a greater number than in August. Of the total decrease of 219 failures from August, there were 112 fewer in the New York District alone, 46 in the Chicago and 19 in the San Francisco District; approximately 58% of last month's bankruptcies occurred in these three districts.

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

Investors willing to assume a risk (apparently very small) of possible less regular income over the intermediate term, have been contemplating with growing interest the potentialities offered by switching from St. Louis, Iron Mountain & Southern River & Gulf Division 1st 4s into the First Mortgage series of New Orleans, Texas & Mexico. Both are scheduled to participate in the Missouri Pacific reorganization (approved by the I.C.C. and the lower court, but being appealed) and at recent price levels it has been possible to switch into $18,000 face value of the N. O., T. & M. 1st 4½s, 1956 for each $10,000 of the Iron Mountain bonds.

In the matter of interest, the Iron Mountain bonds have been paying at the regular 4% rate and are expected to keep to this basis no matter how long the reorganization proceedings are drawn out.

The next semi-annual payment is due Nov. 1. Interest has been paid on the New Orleans, Texas & Mexico liens in every year since 1936, but in irregular amounts and on varying dates. A full year's interest was paid in each of the years 1940 and 1939, one coupon was paid in 1938, one and one-half coupons in 1937, and half a coupon in 1936. Application has recently been made to the court for permission to pay one coupon (half a year's interest) now, which will be the first payment for the year. Payment of one coupon on the $18,000 face value of the bonds purchased will amonut to $405.00 or the equivalent of a full year's interest on the 10 Iron Mountain bonds sold. It, therefore, compensates for the Nov. 1, 1941, and May 1, 1942, coupons on the latter. On the basis of past performances, it seems apparent that there need be no great apprehension over possible loss of income, even though the payments may be less regular. The underlying basis for the switch is the wide potential capital gains to be realized if the plan is consummated as proposed by the Commission and approved by the court of jurisdiction.

Under the reorganization plan, the St. Louis, Iron Mountain & Southern first 4s are to receive par for par in new Series "B" first mortgage 4s, 1990. As interest has been paid regularly on the present bonds, there will be no interest accruals coming on consummation of the plan, except perhaps to adjust for the interim between the last interest date on the old bonds and the start of accruals on the new bonds. In the reorganization, a holder of $18,000 of N. O., T. & M. first 4½s will receive $10,000 combined in Series "B" first mortgage 4s, 1990, and cash representing income accumulated on the new first mortgage bonds as of Dec. 31, 1941. Of this, $9,630 will be in the bonds (the same series to be received by the Iron Mountain bonds) and $375.40 will be in cash, representing income accrued to the end of this year. This cash could be used to round out the new first mortgage bond commitment to $10,000 face value or the same amount that would be received in exchange for $10,000 of the Iron Mountain bonds. The profit on the transaction is then represented by all of the junior securities the New Orleans, Texas & Mexico bonds are to receive in full settlement of their claim.

In addition to the new first mortgage, the holder of each $1,000 N. O., T. & M. 4½% bond will receive approximately $245 in Series "A" Income bonds, $195 in Series "B" Income bonds and 1.7 shares of $5 second preferred. The holder of $18,000 face value of the old 4½s is to receive a total of $4,410 face value of new Series "A" Incomes, $3,510 of Series "B" Incomes and 30.6 shares of second preferred stock. These new securities are currently selling "when-issued" at about 35, 25 and 8, respectively, giving a total value of $2,665.80 to the securities, other than new first mortgage bonds and cash, provided in the plan for holders of $18,000 New Orleans, Texas & Mexico first 4½s. Any strength in the new securities will naturally widen the gain realized from these junior securities, and interest is accruing on the Income bonds during the reorganization proceedings. This potential profit is considered a more than adequate compensation for the risk involved in the possibility that the plan may not go through. Furthermore, it is generally considered that if there should be any last minute change in the proposed reorganization it would strengthen the position of the N. O., T. & M. bonds.

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Municipal Bond Club To Hear La Guardia

Honorable Fiorello H. La Guardia, Mayor of New York City, will address the luncheon meeting of the Municipal Bond Club of New York on Monday, October 20, at the Bankers Club.

Wabash RR Interesting

An interesting circular on the new securities (when, as and if issued) of the Wabash RR. Co. has been prepared for distribution by Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange. Copies of the circular may be had from Pflugfelder, Bampton & Rust on request.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—34⅝, low—14¾, last 33½.

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Bank and Insurance Stocks

This Week — Insurance Stocks

Dealers acquainting their insurance stock customers with first half of 1941 operating results of fire and casualty companies might well be asked: Why is the increase in premium volume so bullish if underwriting profits are so much lower?

The Best's summary of semi-annual operating results showed first half expansion in premiums written of $27,500,000 (19%) for 85 fire companies and $28,800,000 (11%) for 90 casualty companies, but: (1) The fire companies' loss ratio rose from 48.9% to 50.1% and "statutory" (earned) underwriting profits declined from $2,221,000 to $643,000; (2) The casualty companies' loss ratio rose from 48.5% to 50.5% and statutory underwriting profits dropped from $10,090,000 to $6,955,000.

The answer seems paradoxical: The increase in premium volume is very bullish for underwriting operations, even though it means lower statutory underwriting profits: (1) The heavy premium volume of today means substantial underwriting profits of tomorrow. Premiums are payable in advance, and in accordance with the law, all premiums must be set aside in a fiduciary account, Unearned Premiums, until actually earned. (This incidentally is a good accounting principle.) However, increased expenses of writing the heavier business must be met immediately, and losses on the increased outstanding risks are normally bound to rise; but both the larger expenses and losses come out of lower previously earned premiums, not yet reflecting the present higher premiums volume.

It is just like a company's earnings being built up by increased advertising; cut down on the advertising and the reported earnings will look much better because of lower advertising expense; but obviously, it is more bullish to continue the building up by advertising even though it means current lower earnings.

This is why a venerable insurance executive used to say: "We're happy when we're losing money on underwriting because of increased writings."

(2) Thus, "statutory" underwriting profits may not reflect true underwriting progress in any one year; but "adjusted" underwriting profits come closer, by adding to statutory profit the equity in increased unearned premiums.

"Adjusted" underwriting profit of the 85 fire companies was $9,795,000 for the first half of 1941 ("statutory" profit of $643,000 plus 40% of the $22,882,000 increase in unearned premiums for the half); and $20,159,000 for the 90 casualty companies ("statutory" profit of $6,955,000 plus flat 40% equity in the $33,010,000 increase in unearned premiums). This is a materially different picture.

(3) Expense ratios have actually declined, and have approximately offset the rise in loss ratios, leaving combined loss and expense ratios about the same.

Although expenses were higher in the aggregate, they did not rise in full proportion to the increase in premiums written. The 85 fire companies had expense ratio of 42.3% for the first half of 1941, compared to 44.7% in first half of 1940, so that combined loss and expense ratios were 92.4%, compared to 93.6%. The 90 casualty companies' expense ratio was 40.5%, compared with 42.1%, thus holding down combined loss and expense ratios to 91.0%, compared to 90.6% a year ago.

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Therefore, the first half of 1941 has definitely been one of underwriting progress. The heavy increase in premium volume has laid the basis for substantial statutory underwriting profits next year, the companies saving the taxes on such profits for this year. Combined loss and expense ratios have been kept in control despite the heavier volume. The increase in volume is continuing at substantial levels and the companies still have ample "capacity" to handle much larger volume—using a 1:1 ratio of policyholders surplus to unearned premiums as a conservative guide, the 85 companies, with ratio 1.9:1 and the 90 casualty companies with a ratio of 1.3:1, are capable of carrying heavier volume without "overtrading on the equity."

Over the intermediate future, the outlook for premium volume indicates continued net expansion but shifts from certain lines to others. Thus, during the past year, automobile and marine volume have outstripped the other lines in expansion. Marine volume, in view of the increased number of bottoms being built in this country and higher rates and volume in cargo coverage, is likely to continue its uptrend, but finance company automobile volume may take a decline in view of the OPM curtailment of automobile production. Such decline, however, as might occur in this line might well be offset by the continued expansion in fire and other writings—with the nation's productive capacity being called into full play, any involuntary decrease in automobile writings is likely to show up in other lines covering National Defense production.

Investors in insurance stocks, therefore, appear to be assured of a bright volume outlook, at premium rates based on loss experience and not artificially "pegged" like money rates.

Files With SEC

Application has been filed with the Securities and Exchange Commission for registration as broker-dealer by Gordon B. Todd & Co., 25 Broad Street, New York City. Gordon B. Todd and Clement J. Todd will be partners in the firm, which proposes to make loans on securities protected by puts and calls.

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Our Reporter On "Governments"

(Continued from page 595)

Free Riding

There was a considerable amount of free riding in this most recent Government financing, incidentally. . . . Not free riding by "little fellows" to any degree, for they are not aware of these issues ordinarily. . . . And the elimination of preferential allotments has discouraged all but a few of those, anyway. . . .

The free riding that did take place came from professional traders, from individual investors of some means, from institutions that wanted the profit—but not the bonds for permanent holding. . . .

And that type of free riding is a necessary corollary of attractive Government flotations. . . . That type of free riding cannot be eliminated — unless Morgenthau chooses to cut the profit on his new offerings to the "danger" point (which obviously is not his intention). . . .

One story is that the Treasury has asked banks to police all subscriptions more carefully than ever before. . . . Another is that Morgenthau has warned the banks against lending money to customers for purchase of new bonds beyond the customers' "legitimate requirements". . . .

Of course, there are the old safeguards too. . . . The Federal Reserve System's "black list" of names that subscribe, then re-sell their allotments immediately. . . . The allotment of bonds on a straight percentage basis. . . . All the steps taken in recent years by the Secretary to rid the market of the free rider. . . .

But the point is free riding is coming back. . . . And the forecast is that it will continue in the market at long as new Government issues intrigue the speculative instincts of all who know about them. . . .

And there's certainly something to be said in favor of the bank that buys these bonds, holds some, sells some and uses the profit frozen to mark down the price of the securities held to a comfortable level. . . . (This policy is worth thinking about.) . . .

Next Deals Up

We should see some more Government financing before the end of October—and before the date the reserve requirement boost goes into effect. . . . The financing will be done by the Treasury but for the accounts of two of its agencies, the RFC and the Commodity Credit Corporation. . . .

The RFC has $300,000,000 ⅞% notes due November 1, while the Commodity Credit Corporation has $204,000,000 1% notes due Nov. 15. . . .

Just for refunding, then the issues should total more than $500,000,000. . . . And perhaps the RFC will borrow some more cash to meet its heavy expenditures. . . .

They'll be short-term issues, probably, bearing infinitesimal coupons. . . .

The Treasury itself has a clear slate until March, when $426,000,000 tax-exempt 1¾% notes mature. . . . Chances are these will be refunded in December, at the same time that Morgenthau asks for more cash. . . .

Some Statistics

The $1,300,000,000 cash portion of the recent issue was the most ambitious Government financing since 1919. . . .

That $1,300,000,000 is equal to approximately one month's spending on defense. . . .

In one day, Morgenthau obtained as much cash as he has been able to borrow through sales of defense bonds in five months. . . .

Only a short time ago, $1,000,000,000 was considered the "comfortable minimum" for the Treasury's cash balance. . . . Now $2,000,000,000 is considered barely satisfactory. . . . The new issue will raise enough funds to push the balance above that minimum, but at the rate of defense spending these days, it won't remain there long. . . .

The recent borrowing—the first major cash deal since June—is the first in a financing program that will total at least $3,000,000,000 before the end of this fiscal year. . . .

Between open market borrowings and sales of defense bonds and tax-anticipation notes, Morgenthau expects to raise from $7,000,000,000 to $8,000,000,000 this fiscal year. . . .

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Proposed Changes in Securities Laws Give Insufficient Consideration to Small Dealers

A communication addressed to the Committee on Interstate and Foreign Commerce of the United States House of Representatives from 15 regional stock exchanges, outlining the exchanges' views on the proposed amendments to the Securities Act of 1933 and the Securities Exchange Act of 1934, was made public by the exchanges on October 8.

The communication was prepared by 16 representatives of 12 regional exchanges at a meeting held in Chicago on Sept. 25 and 26. The representatives returned home to obtain ratification of their action by their respective exchanges, and the signatures on a counterpart were obtained from three exchanges not represented at the Chicago meeting. The letter as made public by the Chicago Stock Exchange follows:

The undersigned national securities exchanges have reviewed the reports to the Congress by the "securities industry" and the Securities and Exchange Commission, dated respectively July 30 and Aug. 7, 1941, in the light of the letter dated June 18, 1940, from Chairman Lea of the Committee on Interstate and Foreign Commerce to Jerome N. Frank, then Chairman of the Securities and Exchange Commission, which prompted the conferences out of which these reports came.

These reports, despite the time and earnest effort expended by the four signers of the "industry" report and by the Commission, do not sufficiently consider the interests of

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Paid-Up Capital £2,000,000
Reserve Fund £2,200,000
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General Manager
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Total number of offices, 258
CHIEF FOREIGN DEPARTMENT
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Capital (fully paid)______ £3,780,192
Reserve fund___________ £4,125,965
Deposits _______________£69,921,933
Associateed Bank
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Australia and New Zealand
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
Paid-Up Capital ________ £8,780,000
Reserve Fund __________ 6,150,000
Reserve Liability of Prop. 8,780,000
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Aggregate Assets 30th Sept., 1940 __________£143,903,000
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the small elements in the business or the interests of the public served by them. We believe the limited participation of the regional national securities exchanges in the conferences from which the reports emanated precluded adequate consideration of these matters. The regional exchanges are located in California, the District of Columbia, Illinois, Maryland, Massachusetts, Michigan, Missouri, Ohio, Pennsylvania, Utah and Washington. They constitute the small business of the securities industry. They represent that part of the industry which is primarily concerned with local issuers, investors, and brokers and dealers.

The problems of the securities business from the point of view of the regional exchanges are essentially different from those presented by the report of the "securities industry." These proposals do not help the regional exchange markets or that part of the public served by them. In the absence of material changes in the Securities Exchange Act of 1934, the regional exchange markets will face a process of disintegration leading to ultimate extinction.

In recognition of this fact, ten months ago the regional exchanges advocated, and the Securities and Exchange Commission undertook a factual study of the major problems of the regional exchanges. We respectfully urge that this study be completed and used as the basis for the elimination of unnecessary handicaps to the securities business as related to the regional markets.

While the regional exchanges have an interest in the Securities Exchange Act of 1933, it is our belief that detailed comment on the specific proposals regarding that Act properly may be left to those organizations dealing with the underwriting and distributing phases of the business. However, it is our opinion that, generally speaking many of those proposals would seem to be constructive and merit favorable consideration.

We shall be pleased to amplify our views on the 1934 Act whenever hearings are held on the pending measures.

The letter was signed by:

Theodore Gould, President, Baltimore Stock Exchange.

P. R. O'Brien, President, Board of Trade of the City of Chicago.

John E. Yerxa, President, Boston Stock Exchange.

Kenneth L. Smith, President, Chicago Stock Exchange.

Joseph B. Reynolds, Vice-President, Cincinnati Stock Exchange.

Russel I. Cunningham, President, Cleveland Stock Exchange.

Paul T. Bollinger, President, Detroit Stock Exchange.

W. G. Paul, Executive Secretary, Los Angeles Stock Exchange.

Larz E. Jones, New Orleans Stock Exchange.

John R. Huhn, Jr., Secretary, Philadelphia Stock Exchange.

Marshall R. Barbour, President, Pittsburgh Stock Exchange.

Ronald E. Kaehler, Executive Vice-Pres., San Francisco Stock Exchange.

Irving D. Lowe, President, Salt Lake Stock Exchange.

George J. Flach, President, San Francisco Mining Exchange.

L. W. Baker, President, Standard Stock Exchange of Spokane.

In connection with this letter Mr. Smith of the Chicago Exchange on October 8 issued a statement saying that his exchange "believes that the amendments do not go to the root of

(Continued on page 603)

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The Securities Salesman's Corner

It is our desire to develop this column into a clearing house for ideas. If we could pass along some things that the other fellow is doing which is helping to meet present-day conditions it no doubt would be of some interest to all concerned. In this connection, we would sincerely appreciate your comments or criticisms and any suggestions you might wish to send along.

You Are What You Think You Are

It is against the principles of this column to preach, delve into elaborate pep talks, psychological discussions on salesmanship, or flights of lofty idealism. On the contrary we believe that most of the members of the security selling fraternity of 1941 are just a little beyond the stage when they can be kidded along by theorists who would tell them "how to do it" yet show by their words that they probably couldn't go out and sell some securities even if they had Roosevelt for a customer. The writer, himself, remembers many a sales-manager of the lush days of the twenties, and how he would make glowing speeches of how to go out and get business, yet never moved his overwriting carcass from his swivel chair. He also remembers the pep talks, the rah! rah! boys, and all of the fellows who wrote articles about salesmen's morale, etc. He remembers that most of the things he was told were 90% hot air and he learned how to sell securities the hard way—by trial and error. The little he knows about doing this job in 1941 he has also learned through adapting himself to present day problems and by changing his methods to meet today's conditions.

There is one cardinal principle, however, that the writer believes has been a help to him—even though it does border on the psychological side and is tinged a bit with idealism. Since in his case it aids him in doing business and at times helps him through a hard period when business is slow (we all have them), so with due apologies here is a basic philosophy that has a practical side to it. The salesman who believes he is nothing more than a peddler will remain a peddler. On the contrary, the security salesman, who believes he is in the same category as a physician—only that he is ministering to the financial health of his clients instead of their physical health — becomes something more than a salesman. He immediately places every day's effort above the monotonous chore of chasing the elusive commission from prospect to prospect and instead elevates every call into a purposeful, sincere and searching effort to help every prospect and client with whom he talks.

The results obtained through this professional approach are bound to result in a higher income for the salesman plus the satisfaction which comes from knowing that the salesman who actually believes and lives up to this higher code is performing an economic good—both for his country and the individuals with whom he does business. The good Doctor does not want praise, he is content to serve his high calling of medicine. Despite all the New Dealers in the world who would condemn Wall Street, the capitalistic system, and those of us who still strive to promote private enterprise, maintain private property, encourage thrift, and endeavor to increase wealth—this writer still believes that selling securities is not only a high calling but by so doing he is serving the best interests of the people who represent the very finest element of our American society—those few hardy souls still left in this land who not only have faith in private enterprise but who are still putting their dollars into stocks and bonds of American corporations as final proof of their confidence in the future of this country.

There have been times when the practical application of this principle of the "Doctor of Securities" approach has even been frankly laid before certain prospects. In order for it to be successful, however, it must be backed up by sincerity. The man or woman you are talking with is quick to sense sincerity if it is real. The very air seems to be charged with conviction and purposefulness when a conscientious person states his convictions and his position and his listeners are bound to be impressed. Tell them openly how you feel about your business, what you honestly want to do to help them gain better results from their security investments, how important you believe it to be that their interest is served first at all times, and show by your attitude that you consider it a privilege to advise them on their financial matters—in other words sell this idea that you are a Doctor of Securities. If you really are and you know your financial medicine then your prospects and your clients will finally let you diagnose their case. Afterward comes the right prescriptions and collecting your fees.

There is one thing that is worth more than all else in this life—that thing is courage. Courage of your convictions; courage to have faith in the future, courage to believe you are in a high calling, courage to keep this faith even when business is slow, times are discouraging and personal troubles all pile up—these are the kinds of courage that will help to make a successful bond salesman, merchant, doctor or for that matter a success at any other kind of job, where men and not medicants are needed.

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Investment Trusts

The tax savings made available to corporations investing funds in corporate bonds through the purchase of shares of bond trusts have been made much more attractive by the new tax law. There are now on the market four investment trusts offering a wide variety of specialized bond funds: Keystone Custodian Funds, Inc., distributed by the Keystone Corporation of Boston; Manhattan Bond Fund, distributed by Hugh W. Long & Co.; National Securities Series, distributed by National Securities and Research Corp.; and Union Trusteed Funds, Inc., distributed by Lord, Abbett & Co., Inc.

As explained by Hugh W. Long & Company, sponsor of Manhattan Bond Fund, all corporate bond interest is fully taxable income. "This means that the investment return from a portfolio of bonds held by a corporation is subjected to drastic reductions under the new rates of corporation tax. The new income tax rates (31% for corporations earning over $25,000) plus the advanced rates of excess profits taxes (35% to 60%) and the new method of computation may in some instances reduce the investment return on a bond portfolio by 50% or more. Even though the corporation is holding medium priced bonds with a comparatively liberal yield, if the overall net yield must be cut in half by the full imposition of the new taxes, then the bond investment account may become quite undesirable as a medium for the employment of reserve capital."

On the other hand, a corporation which receives dividends from its holdings of stock in other domestic corporations is entitled to deduct 85% of such dividends from its net taxable income. Thus while interest received from investments is 100% taxable, dividends received are only 15% taxable as regards normal tax and surtax, and are exempt from excess profits taxes to the extent of 100%.

Consequently when a corporation invests its funds in the shares of an investment trust which in turn invests its funds in corporate bonds, the corporation receives its investment income in the form of dividends which are subject to very substantial credits for income tax purposes. Thus the corporation is much better off than if its funds had been invested directly in bonds from which interest income would be received, for the latter would be subject to very high tax rates.

Moreover, the investment companies themselves, if they qualify as "mutual" companies, do not have to pay Federal income and excess profits taxes on the interest which they receive from their bond holdings. (On the other hand, an investment company which is not "mutual" is itself subject to normal income tax and surtax. Most investment companies distributing new shares today, however, are of the "mutual" type.)

The following example, provided by Manhattan Bond Fund, illustrates the comparative advantage of investing through the investment trust medium. An investment income of $10,000 from directly owned bonds held by a

(Continued on page 607)

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LOS ANGELES

Correction

In listing members of the Bond Club of Denver in the National Security Traders Association Convention-Year Book issue of the Financial Chronicle, E. Warren Willard was shown as being connected with Brereton & Kendall. Mr. Willard has never been associated with Brereton & Kendall; he is a partner in Boettcher & Co., with which firm and its predecessors he has been affiliated for many years.

Special Report Available

A special report on the common stock of Consolidated Water Power & Paper Co. has been prepared for distribution by Fuller, Cruttenden & Co., 120 South La Salle Street, Chicago, Ill., members of the Chicago Stock Exchange. Copies of the report will be sent upon request.

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A classic example of the way the wind is blowing from official Washington in an effort to chill the trend toward municipal securities was an address delivered in St. aul on Monday by a Government spokesman. Urging that the income received by taxpayers from interest on approximately $20,000,000,000 of State and municipal bonds throughout the nation be taxed by the Federal Government, Charles L. Kades, assistant general counsel for the Treasury, declared that "no modern revenue system can ignore the development of a sound personal tax based on the principle of ability to pay."

Mr. Kades' statement was made to the National Tax Association conference in an endeavor to secure support of tax experts throughout the country behind a nation-wide move to establish a more equitable tax basis to secure money for the defense program.

"I am confident," said the Treasury attorney, "that when the next tax bill has been enacted into law Congress will have once more placed itself on the side of fairness and justice in taxation and will have ended this flagrant example of tax immunity for a favored few."

Mr. Kades pointed out that Congress would be acting within its full rights under the Constitution to tax income from State and municipal bonds.

"The Government protects the citizen's person from injury, fosters his health, promotes his education, underwrites his security and provides the environment in which he can produce and acquire those goods and services important to his welfare," said the Treasury official.

"What can be more appropriate than for the Government to require of this citizen a personal tax measured by his income from whatever source derived."

"The nation needs, as Secretary of Treasury Morgenthau has said, 'all out' taxation to support 'all out' defense," he emphasized.

"The defense program must be paid for, sooner or later, by the taxpayers of the United States. To the extent that the National Government issues bonds, the taxpayer's burden is postponed.

"Ultimately, however, the principal of and interest on those bonds will be paid from money raised by national taxation. And if any class of citizens is then beyond the reach of the national taxing power, other citizens will have to assume the burden of providing the money necessary to pay those bonds.

"If the principle of progressive income taxation is equitable, the issuance of tax-exempt securities is inequitable because taxpayers can flatten out the progressive curve of the graduate income tax simply by investing in State and municipal bonds.

'For this reason every Administration since enactment of the progressive income tax, Republican as well as Democratic, from President Wilson to President Roosevelt, has advocated elimination of tax-exempt securities.

"How can we justify to the American people issuance of public securities which furnish, to those who can afford to buy them, a well-beaten path of escape from increasingly steep tax rates?"

Other Side Of the Story

Addressing the same meeting, Henry Epstein, Solicitor General of New York State, declared that "Federal taxation of State and local securities would be destructive of our political institutions, unconstitutional and unsound economically."

"Any renewal at this time of the Federal campaign to tax our local bonds would be far from a contribution to national unity and would on the contrary hamper and impede the national defense effort," he said. "That unity of effort which is so essential to our national defense must not be seized upon as an opportunity for centralization of all sovereign powers in the Federal Government. The surrender of local self-government is not the road of free States and free cities and free people on their march to the defense of their democratic way of life."

Mr. Epstein is chairman of the Conference on State Defense, a nation-wide organization of State attorneys general and of many other State and municipal officials. The group is supported in its policies by the United States Conference of Mayors, the Municipal Finance Officers Association of America, the National Institute of Municipal Law Officers, and many other organizations in the field of public affairs.

Mr. Epstein said that the proposal to tax city and State bonds "is not really advanced for purposes of raising revenue. The Treasury representatives themselves have repeatedly been forced to admit that it can find little justification on that ground. Nor is there much substance to the appeal that the Federal Government must be given this tremendous power in order that it may shut off a channel of tax avoidance.

Credit Data on Municipal Issues Compiled

Because of the interest that has been evinced in the report carried in our Sept. 25th issue, dealing with the publication of a book on municipal credits, available through the Federal Deposit Insurance Corporation in Washington, at the cost of one dollar per copy, a very reasonable fee, we again bring up the subject for those who may have missed the first notice. The best way to accomplish our purpose this time seems to be through quoting from the excellent review given by Dr. Frederick L. Bird, an acknowledged authority on municipals.

Some three years ago the National Association of Supervisors of State Banks appointed a Committee on Municipal Obligations to explore the important field of standards for classifying municipal securities. "Municipals," the final report of the Committee, has just been published, and it is not too much to say that it should be consulted by every banker and investor who owns or expects to own municipal bonds and by every public official who has the responsibility for marketing municipal bonds, as well as by State bank examiners in their appraisal of portfolios.

FLORIDA

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MUNICIPAL BONDS

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The "report" is really a handbook on municipal credit analysis. While it is quite evident that the Committee have done a large amount of careful, thorough investigation and study, they have been able to present their findings with a practical conciseness and brevity which will be appreciated by every reader. The outstanding features of the report are the presentation of a "uniform credit file" or form to indicate the statistical data deemed essential for credit analysis and to facilitate the securing and recording of such data; specific instructions for preparing the file; illustrative applications in the analysis of the credit of representative municipalities; and a series of short chapters on the basic factors in municipal credit which are distinguished for their well-balanced, common sense treatment of this many-sided subject.

The value and significance of the report are emphasized by the need for more thought and concern on the part of both bank examiners and bankers respecting municipal credit standards, by the failure of many municipalities to provide adequate data in support of their offerings of bonds and of purchasers to require them, and by the confusing variety of municipal accounting and reporting practices which prevail throughout the country. Safer investment and sounder municipal finance are promoted by such constructive work as Chairman Edward A. Wayne and his Committee and their technical adviser, Harry L. Severson, have accomplished.

One of the most praiseworthy characteristics of the report is its frank recognition that there is no "last word" in either the determination or application of standards when the subject of appraisal is so complex an entity as a modern American community. At the same time that it prescribes uniform statistical schedules it has no illusions about the difficulty of reconciling them with widely varying municipal financial procedures, and it recognizes that outside the limits of any set form there are other statistical data, as well as many less tangible factors, which demand consideration. Thus the Committee has produced an excellent medium for stimulating interest in and appreciation of municipal finance from the investor's point of view.

N. Y. State Comptroller Dies

Morris S. Tremaine, New York State Comptroller for many years, succumbed to a heart ailment last Sunday. Up to press time, State election officials had not yet determined which of the following procedures would apply in selecting the acting comptroller:

One group contends that, since Comptroller Tremaine died before Oct. 15, nomination of a successor must be included on the ballots for the November election. The elected candidate, in this procedure, would hold office until Dec, 31, 1942, expiration date of the Comptroller's four-year term.

Some legal authorities believe the election of a Comptroller must take place in November, 1942, when the Governor, Lieutenant Governor and Attorney General are elected.

Another opinion is that the Governor makes the appointment, but the appointee cannot serve after Jan. 1 of the year following the date of vacancy.

N. Y. City Sales Tax Cut

The New York City Council voted unanimously on Tuesday for Mayor La Guardia's bills reducing the sales and compensating use taxes from 3 and 2% to a flat 1%, with the prospect that the reduction will become effective very shortly. The Board of Estimate, at a special meeting, ratified the Council's action. It is estimated that the tax cuts would save $30,000,000 to $35,000,000 a year for the ultimate consumers.

Newark Debt Plans To be Discussed

John R. Hardin, president of the Newark Sinking Fund Commission, acting on the request of Mayor Murphy, has called a special meeting of the members for Saturday to discuss readjustment plans designed to reduce the city's debt service on sinking fund bonds.

Mississippi Rural Road Building Program Urged

A road building program for the rural taxpayers and residents has been added to the "grist" for the January legislative session mill.

Advocates of the road proposal point out that it will be a three-way relief measure. Not only will it provide all-weather farm-to-market roads for the farmers, but it will reduce his advalorem taxes by shifting the outstanding county road bonds to motor taxes and make available funds for the establishment of full-time health units.

Certain that some form of road legislation is in prospect, Representative Reece O. Bickerstaff of Harrison County, chairman of the House Roads Committee, has suggested that advocates meet ahead of the session and work out details of a program all can support.

Meanwhile, Senator Grady Cook of Pontotoc, has announced he plans to renew his fight for a rural road program, incorporating in it a plan for the State to take over the approximately $38,000,000 outstanding county and district road bonds now being paid off through advalorem assessments. His proposal for a $60,000,000 bond issue would make available around $22,000,000 in new money.

The danger in a new road program, however, is its effect on the $100,000,000 program inaugurated during former Gov. Hugh L. White's administration. The State issued $60,000,000 in bonds for this program, which thus far have been reduced to $55,000,000. The issue is due to be paid off in 1963, provided more of the maturities are not refunded as was the case recently.

Fitting into the picture is the provision in the original issue pledging the entire six cents State gasoline tax for retirement of the obligations, although less than half is needed for this purpose. Incidentally, the counties get two and one-half cents of the State tax, most of which is used for retiring their county road bonds.

Ky. Municipal League Indorses Legislative Program

Unanimous approval was given recently by the Kentucky Municipal League for submission to the 1942 General Assembly of the league's three-point program designed to give cities a measure of relief from their financial worries.

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Briefly, the league agreed to seek passage by the Legislature of bills to permit cities to obtain T.V.A. power, to annex territory adjacent to cities and to require the state to maintain city streets that are parts of the state highway system.

Fla. School Fund Shows Large Increase

Florida's permanent State school fund has increased nearly a quarter million dollars since April 1, 1937, according to a report submitted by J. Edwin Larsen, State treasurer, at the request of Colin English, superintendent of education.

The fund is invested entirely in Florida securities and the increase has resulted largely from purchase of Florida bonds at a discount during the past four years. Bonds owned by the principal of the fund on August 1 totaled $5,019,373, an increase of $226,883 since the 1937 report.

The fund originated from sale of State school lands, and, although the principal is held inviolate, the revenue from interest on investments is apportioned among the counties as part of the teachers salary fund. The investments have become more valuable to the State teachers salary fund by drastic reduction during the past four years in the amount of interest in default. The 1937 report showed $526,328 in defaulted interest and this figure was reduced to $284,332 in the current report.

Trend of The Market

Municipals still maintain their upward trend and the yield on a group of representative bonds is reported to be at a record low point. There was no evidence of any effect in the market for local governmental loans of the $1,500,000,000 Treasury operation launched. Although State and municipal issues seemed to stiffen with the federals on the uptrend, the subdivisional securities held their ground when the others softened.

Further large inroads were made on undistributed balances of recent new issues, and in several instances the remaining bonds were acquired from the original banking group, which had encountered a little slow going in placing them at the initial price levels, by another account which immediately advanced the quotations and reported satisfactory movement of the securities.

Good receptions were accorded new issues that reached the market during the past several days. Outstanding among them were $14,100,000 City of Philadelphia water and refunding 4s and 1½s of 1943-67. The city obtained the loan on an average cost basis of about 1.65%, and the first 10 maturities were resold immediately to banks for group account and the long bonds were sought eagerly by investors at as much as two full points above the original reoffering quotations.

Current strength in the market is attributed largely to higher taxation and a wider investment interest in tax exempt securities. There has been little or no liquidation, which also is attributable

(Continued on page 603)

WHISPERINGS

Warner Brothers will announce a plan to take care of its preferred accumulations either late in November or early in December. The plan will probably consist of a new preferred stock to be offered to preferred holders equal to the amount of arrears with an option to receive cash instead. In any case the preferred accumulations will be taken care of before the end of the year.

The street was being torn up in front of the New York Stock Exchange and as is usual—particularly during lunch time—the excavation was surrounded by groups of onlookers. One such group, consisting of three men, was loud in its opinions of how the job should be done. A foreman standing nearby finally turned to a policeman who also was standing there watching and asked who those men were. "Oh them!" replied the cop spitting out a toothpick, "don't pay any attention to them. They're Stock Exchange members who ain't got nothin' to do inside."

John D. (Wertheim & Co.) Rocamora is the cause of no small envy these days. Despite the fact that summer has been and gone, Johnny still sports a sun tan that looks as if it cost lots of money. Johnny assures us that it did, but he also says he didn't get it from playing golf, or swimming at a beach. "It's much more expensive than that. It comes from the Stork Club's neon lights."

Georgie Price of the night club world, the very proper **George E. Price & Co.,** members of the New York Stock Exchange, is running around like a chicken which lost its head. Not only does he do three shows a night, attend to what business he has between 10 and 3, but is also directing the fourth annual Financial Writers Show, now in rehearsal. And for a guy 5 ft. 3 in. he packs a lot of temperament!

A story is told of the sales manager of one of the leading issue houses who was sick at home. "I want to give some suggestions—send for Mr. ——— (the sales director of the competing firm)." His wife answered, "But, darling, you must mean Mr. ——— from your own firm." . . . "I don't mean anything of the sort!" he yelled back. "Why should I give one of our own men small-pox?"

A ham screen actor—relates **Ernie Blum of San Francisco's Brush Slocumb & Co.**—had acquired a modicum of prominence and arrived in New York (from where he hailed) to bask in his new found prominence. He was walking down Madison Avenue a little irritated that no one had recognized him when suddenly he spied what he thought was a familiar face. The owner of the face also stopped. "You know," said the actor extending his hand, "your face looks familiar. Didn't I meet you on Mr. Morgan's yacht?" The man looked blank and shook his head. "I know," said the actor, "it was at the opening of my new picture." Again the man shook his head. "Wasn't it at the opening of that new night club?" Again the man said no. "Why, of course! I know where I met you," said the actor. "It was at my brokers on the coast. That's where I met you." By this time the man was openly exasperated and indignantly burst out: "Look, ya dope! I'm ya brudder. Remember? We wuz wonderin' what happened ta ya. Why doncha drop around 'n see us no more?"

Teddy Tsolainos, partner in Parrish & Co., was visited by an insurance agent one afternoon, who pointed out the advantages of a new kind of policy. After listening to his talk for a few minutes, Teddy replied that the firm had all the insurance it needed. "The only thing we haven't insured is the office clock. The employees watch that!"

Digest of Tax Changes

Ranson-Davidson Co., Inc., Beacon Building, Wichita, Kansas, specialists in tax exempt securities, are distributing "The Digest of Important Changes in Federal Taxes," copies of which will be sent by the firm on request. The "Digest" contains a brief summary of the 1941 Revenue Act and includes improved schedules of gift and estate taxes, pay-roll taxes, and new individual and corporation taxes under the Revenue Act of 1941.

To Open in New York

Petroleum Equities Corp. will shortly be formed with offices at 41 Broad Street, New York City, to engage in a securities business. Officers of the firm will be Henry Weiss, president, John J. Eisner, second vice-president, and Ernest A. Westfried, secretary and treasurer.

Int'l Rys. Looks Good

International Railways of Central America purchase money 5s of 1972 are particularly attractive at this time, according to a circular prepared by A. O. Van Suetendael, 15 North Broadway, Yonkers, N. Y. Copies of the circular which should prove interesting may be obtained from Mr. Van Suetendael on request.

Now F. H. Crawford Co.

EMLENTON, PA.—F. H. Crawford & Co. has succeeded the investment firm of Crawford-Johnson Co., Long Building. Mr. F. H. Crawford is sole proprietor of the new organization.

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CONDENSED STATEMENT
OF CONDITION

at the close of business, September 30th, 1941

RESOURCES

Cash and Due from Banks	$56,835,702.66
U. S. Government Obligations	42,828,802.92
State, Municipal and Corporate Bonds	10,001,744.08
Loans and Discounts	87,725,486.21
Customers' Liability under Acceptances	1,036,922.53
Banking Houses	2,175,604.41
Other Real Estate Owned	130,143.66
Federal Reserve Bank Stock	420,000.00
Accrued Interest Receivable	369,243.66
Other Assets	95,254.60
TOTAL	$201,618,904.73

LIABILITIES

Capital	$7,000,000.00	
Surplus	7,000,000.00	
	$14,000,000.00	
Undivided Profits	4,125,268.86	
		$18,125,268.86
Dividend Payable Oct. 1st, 1941		150,000.00
Unearned Discount		448,122.29
Reserved for Interest, Taxes, Contingencies		1,703,518.18
Acceptances Outstanding	$2,965,221.01	
Less: Own in Portfolio	1,169,118.42	1,796,102.59
Other Liabilities		194,303.91
Deposits		179,201,588.90
TOTAL		$201,618,904.73

Securities with a book value of $7,839,360.91 in the above statement are pledged to secure public and trust deposits and for other purposes required or permitted by law.

MEMBER: N. Y. CLEARING HOUSE ASSOCIATION • FEDERAL RESERVE SYSTEM
FEDERAL DEPOSIT INSURANCE CORPORATION

30 Offices Located Throughout Greater New York

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 10 a summary for the week ended Oct. 4, 1941 of complete figures showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Oct. 4, 1941—	Total for Week
Odd-lot Sales by Dealers:	
(Customers' Purchases)	
Number of Orders	11,657
Number of Shares	304,956
Dollar Value	$12,922,988
Odd-Lot Purchasers by Dealers—	
(Customers' Sales)	
Number of Orders:	
Customers' Short sales	165
Customers' other sales *a*	15,606
Customers' total sales	15,771
Number of Shares:	
Customers' short sales	5,283
Customers' other sales *a*	325 532
Customers' total sales	330,815
Dollar Value	$10,587,706
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	40
Other sales *b*	103,180
Total sales	103,220
Round-Lot Purchasers by Dealers—	
Number of Shares	78,740

a Sales marked "short exempt" are reported with "other sales". *b* Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot.

SPAB Prohibits Non-Essential Construction To Conserve Raw Materials for Defense

The Supply, Priorities and Allocations Board announced on Oct. 9 a "new policy under which no public or private construction projects which use critical materials may be started during the emergency unless these projects are either necessary for direct national defense or are essential to the health and safety of the people."

According to the SPAB, this applies to public projects, Federal State and local, such as the building of post offices, court houses and similar structures; to the construction of roads and highways; to rivers and harbors improvements; and to flood control and other power projects. It applies to construction of factories, lofts, warehouses, office buildings and all other commercial construction. It applies to residential construction and to construction for public utilities.

The SPAB indicated that because of the defense program's heavy demand for metals, "it will not be possible for the United States to build all of the warships, planes, tanks and other things essential to its national security if the scarce materials are unnecessarily used in building projects which are not vital to defense."

The Board added that "if factories are obliged to close because they cannot get these materials . . . there would be neither rhyme nor reason in permitting the use of those same materials to erect public works, new factories, office buildings or other structures unless it could be shown plainly that such construction is vital to the nation."

It is stated that the new policy means that hereafter two tests are to be applied to all building projects:

1. Does the construction involve use of appreciable quantities of critical materials?

2. Is the construction directly necessary for national defense, or clearly a requisite for the health and safety of the civilian population?

"If the answer to the first question is 'yes,' and the answer to the second question is 'no.' Priorities for the critical materials involved will not be issued," the Supply Board explained.

It is understood that Donald M. Nelson, Executive Secretary of the SPAB, will decide on the cases in his capacity as Director of Priorities of the Office of Production Management.

The OPM on Oct. 10 estimated that because of the SPAB ruling new construction of all kinds in 1942 would amount to $8,500,000,000 compared with the current year's estimated volume of $11,200,000,000, a decline of 25%. The OPM announcement further said:

> The estimate for 1941 indicates that defense construction will account for approximately 44% of all building, whereas in 1942 the proportion of defense construction will rise to more than 75%.
>
> Defense work next year is expected to employ an average of 1,300,000 men throughout the year, with 1,500,000 or more at peak periods. The average is about 30% greater than the estimated average for 1941.
>
> If the number of residential units constructed in 1942 drops by 200,000 next year, the decline in employment is estimated roughly at around 120,000 man-years, and, since the type of building affected probably will be more expensive home construction, a tentative estimate of the amount by which dollar values will decline is placed between $800,000,000 and $1,000,000,000.
>
> Industrial expansion for non-defense purposes also is expected to drop sharply. The possible decline is from $500,000,000 in 1941 to $100,000,000 in 1942. Public utility construction is expected to fall abruptly as maximum use is to be made of present facilities in many instances.
>
> Farm construction probably will not decline, but may actually rise as it did in 1918, the survey indicates. Construction of highways may drop. Other public and miscellaneous construction is expected to decline, so that the volume of non-defense construction in 1942 may not exceed $2,000,000,000.

SEC Commissioner Perturbed

(Continued from First Page)

existing state of public apathy toward American business enterprise, we will nevertheless take the liberty of informing him about some of the reasons for this condition and what he must expect before he will ever see a solution to the problem.

If the Commissioner will scan the records, he will notice that the total amountof new financing in this country, stocks and bonds included, has fallen to a figure that is only about ten percent (upon an average) of the decade prior to the advent of Mr. Roosevelt, his New Deal, and his SEC. However, despite this decline in private financing there has been an astronomical rise in governmental financing. Today over thirty government lending agencies are competing directly with private banks and bankers in financing American business institutions. The RFC alone has spread more millions of the people's money around this country on mortgage loans to business firms than any ten of America's largest investment banking firms. As Mr. Burke well knows, this financing has been in the form of loans—not equity capital and so from this standpoint alone, the Federal government itself has been the greatest offender in supplying debt capital instead of equity capital.

So, if the truth were told, Mr. Burke, this trend away from private enterprise began nine years ago when your boss and his New Deal took America away from the people who created it and turned it over to an inefficient bureaucracy. And this trend is going to continue until one of two things happen. Either we will all end in complete and utter state socialism or Mr. Roosevelt, his New Deal and all of the bureaucrats, who like locusts are eating up what little is left of the sort of stuff that built this country, will finally be repudiated by a disillusioned people who at last will have regained not only their sanity and common sense but also their fundamental Americanism.

For when all is said and done, the American investor, despite all his faults, still has a little more intelligence than some of his fellow citizens who have put Mr. Roosevelt's brand of American state socialism upon the heretofore clean pages of our history. He therefore knows that such statements as you made in your Biloxi speech are not meant for his consumption. He knows by now how New Dealers operate. He has had plenty of experience in watching the workings of bureaucracy during the past nine years. He knows you were not talking to him but for the benefit of those millions of economic and financial illiterates upon whom the New Dealers depend to continue them in funds, in jobs, and in power. Such is the way Mr. Hitler's Goebbels would do it—he, too, places the blame for his victims' miseries upon their own defenseless shoulders and all the while the mad, mad mob howls—and do they like it!

No, Mr. Burke, there is nothing you nor any one else can do successfully to sell stock in American businesses until you and others like you, from Franklin Roosevelt down, are finally and eternally removed from the American governmental scene. Otherwise it will only be a question of time until the rapidly dwindling wealth of this nation which has been accumulated during its past one hundred and fifty years, will be exhausted.

In conclusion, may we suggest, if you really desire to sell some common stock, Mr. Burke, that you start out some bright morning and see what you can do? Just ask any securities salesman in Wall Street to take you around to see some of his prospects. We believe you'd get plenty of opportunities to make some speeches. You'd doubtless hear some, too. Just about the time you'd get through telling your unwilling investor about the wonderful future of the ABC mouse trap company, Mr. Morgenthau would come out with a last that, a 6% return on invested capital was enough for any business. Then your prospect would pick up the paper and show you where Mrs. Roosevelt said that every worker should join a union. While in the next column news stories of shut downs, slow downs, riots, civil insurrection, destruction of private property and intimidation of businessmen by union racketeers and gangsters would be making most of the headlines. Next, some New Deal bungler would decide that mouse traps weren't very important anyway, so, because of priorities, your company couldn't get the wire, the wood, or the cheese or whatever it takes to make mousetraps in these crazy days of boondoggling, government ownership, name-calling, and declining interest rates. And if this should not be enough, another bureaucrat, Mr. Ickes, or one of his ilk, would come out with a blast against Wall Street, American business and all that goes with it. While, to top it off, your erstwhile prospective stock buyer would finally remember that he has the highest tax bill he's ever seen in his life soon coming due. He also knows that ever since Mr. Roosevelt has been the head of this nation we have each year continued to go

(Continued on page 603)

Municipal News & Notes

(Continued from page 600)

to taxes. Most institutions which hold municipal bonds are subject to the corporation tax and that levy is a deterrent to liquidation. The majority of tax exempts held by corporations were bought at substantially lower prices and show large paper profits.

September Municipal Bond Sales

The detailed description of the municipal bond issues that were floated by the various States and local units during the month of September will be found on page 624 of this issue.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous isue sold are also appended.

Oct. 16th (Today)

$1,500,000 Arizona, State of

These are short term tax anticipation bonds. The State recently awarded a similar isue to Kirby L. Vidrine & Co. of Phoenix.

Oct. 28th

$600,000 Portland, Ore.

On Sept. 2nd the city awarded bonds to Halsey, Stuart & Co., Inc. of Chicago, while the First National Bank of Portland was second.

Oct. 21st

$16,039,000 USHA temporary loans

These notes have been sold from time to time by various local housing agencies, over $800,000,000 having been placed at public competitive sale since the program was initiated. The most recent award of such notes took place on Tuesday.

Nov. 4th

$1,030,000 Terrebonne Par., La.

This parish has not made any recent sales of bonds.

Nov. 12th

$500,000 Lafayette Par., La.

We do not find a record of any recent sales by this parish.

15 Exchanges Oppose SEC Laws Amendments

(Continued from page 599)

the trouble," and proposed the following changes:

> Three amendments, in our opinion, are essential to restore a normal functioning of exchange markets. Section 9 of the Securities Exchange Act should be changed to allow a resumption of a necessary and normal amount of merchandising activity which is indispensable to the maintenance of useful public markets in small issues. This section of the existing law rightfully aims to prevent manipulation but the pendulum has swung so far that many proper, normal and economically necessary transactions are prevented. The foregoing together with Section 14, regulating proxies, and Section 16, penalizing officers, directors and principal stockholders who engage in purchases or sales of securities of their companies bear a heavy impact on the management problems of the smaller companies and have seriously impaired the market in their stocks. The need is for liberalization and certainly not extension of the restrictions to the over-the-counter markets.

"When hearings on the proposed legislation are held by Congress, we hope to convince it that our experience and views are sound and warrant serious consideration."

SEC Commissioner Perturbed

(Continued from page 602)

deeper and deeper into debt, and this will continue unless we either get rid of Mr. R. or finally go bankrupt and embrace some form of Russian or German totalitarianism.

These aren't the only reasons why Mr. American Investor is not buying common stocks, Mr. Burke. It is only a sample of some of the things you'd hear if you left your desk over at the SEC and went out in the field and learned from first hand experience just what the American investor is thinking today.

So, if you could sell stocks under today's conditions, we'd take our hat off to you, Mr. Burke. We'd like to see it done. We are very much afraid, however, that all the speeches that you could make will never solve this problem. No, we believe the great cross-section of the eighteen million people who own stocks and bonds in American private enterprise do not want any part of the kind of America that Mr. Roosevelt is fashioning for them. We have no reliable statistics to measure their vote at the past elections but we would be willing to bet every thing we have or expect to have that if a vote were taken of this group of Americans your erstwhile sponsor and patron, Mr. Franklin Roosevelt, couldn't be elected dog catcher in Keokuk. For these are the workers of America, not the drones. These are the people who believe in risk, in the profit system, in fair play and in self reliance. They are not the ones who are responsible for the financially disintegrated economic system which we see around us today and which you are pleased to call the New Deal.

No, the answer to the problem about which you are concerned is very simple. Give the government of this country back to the people, send ninety percent of the bureaucrats who now control it back home where they belong, and we will no longer need to worry about the future of stock financing or of American industry. Keep it where it is today and even you won't have a job someday. Totalitarian governments produce their own speech-makers—they don't go to the minor leagues for their talent.

ABA Appoints Twelve To Executive Council

Announcement of the appointment of 12 members at large to the Executive Council of the American Bankers Association was made in Chicago on Oct. 2 by Henry W. Koeneke, newly elected President of the Association. Mr. Koeneke is President of the Security Bank of Ponca City in Ponca City, Okla.

The 12 appointed by Mr. Koeneke were:

Harry A. Bryant, President, Parsons Commercial Bank, Parsons, Kan.

William S. Gray, Jr., President, Central Hanover Bank and Trust Co. of New York.

Robertson Griswold, Vice-President, Maryland Trust Co., Baltimore, Md.

Eugene P. Gum, Secretary, Oklahoma Bankers Association, Oklahoma City, Okla.

G. Carlton Hill, Vice-President, Fifth Third Union Trust Co., Cincinnati, Ohio.

J. R. Leavell, President, Continental Illinois National Bank and Trust Co., Chicago, Ill.

R. C. Lilly, President, First National Bank of St. Paul, St. Paul, Minn.

B. Murray Peyton, President, Minnesota National Bank, Duluth, Minn.

Samuel N. Pickard, President, National Manufacturers Bank, Neenah, Wisc.

Charles E. Spencer, Jr., President, First National Bank, Boston, Mass.

J. C. Williams, Vice-President, Commerce Trust Co., Kansas City, Mo.

J. S. Rogan, President, American National Bank, Indianapolis, Ind.

LOST INSTRUMENT BONDS

Misplaced, destroyed, lost or stolen papers of value, such as checks, certificates of deposit, bonds, stock certificates, savings bank books, life insurance policies or mortgage notes may be replaced through the posting of a Lost Instrument Bond.

Any agent of this Company will be glad to give you service in such an emergency.

U. S. F. & G.

UNITED STATES FIDELITY AND GUARANTY COMPANY
With which is affiliated
FIDELITY AND GUARANTY FIRE CORPORATION
HOME OFFICES—BALTIMORE, MARYLAND

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PROVIDENCE, RHODE ISLAND

HIGH-GRADE
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Members
New York, Chicago &
Boston Stock Exchanges

Established 1856
H. Hentz & Co.
Members
New York Stock Exchange
New York Curb Exchange
New York Cotton Exchange
Commodity Exchange, Inc.
Chicago Board of Trade
New Orleans Cotton Exchange
And other Exchanges

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SUGAR
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Tomorrow's Markets Walter Whyte Says—

(Continued from page 595)

Perhaps he knows what he is talking about. But the following is far from optimistic.

* * *

So far the United States has produced no heavy tanks to speak of, a comparatively small number of medium tanks, and less than 2,000 light tanks. The last carry light armor and are valuable only in reconnaisance. According to latest figures our production schedules call for 1,250 tanks a month by the end of 1942,later to be stepped up to 2,500 tanks a month. Now figure how many months it will take to produce 50,000 tanks for export without considering national defense.

* * *

You may wonder why this, a stock market advisory column, goes into armament production, wars, and other subjects theoretically so remote from the business of buying 'em and selling 'em for profits. The answer is simple. Today's markets look to the European conflict for clues, and our national fortunes, irrevocably tied up with those of England, will fall or rise accordingly.

* * *

Now as to the stock market: Last week I advised flatly that if the market got down more than two points under last Tuesday's (October 7th) low prices would go lower. I then narrowed this opinion down to the individual stocks the column was committed to and gave specific prices which should hold, failing that they should be sold.

* * *

As this is written the weak sister is Westinghouse which sold off on the new stock offering news. The rest of the market is following suit. But though the leaders are still acting as poorly as ever the stocks in our list are still some points away from their critical levels, with the exception of Anaconda which just managed to save itself at 25⅜; the stop is 25.

* * *

As far as the rest of the list is concerned it can be said of them that they are acting better than the averages, which in itself is something to boast about. In case you don't remember the stocks, I refer you to last week's column where they appeared with buying levels, and stops beyond which they should not be carried.

* * *

So far as the immediate future of the market as a whole is concerned it looks like the DJ averages (I mention those because of their wide following) will dip down to at about 118 before meeting any real support. There is even a change that a figure of 115 will be seen before any rebound worth the name will be seen. That being the outlook I see little point in buying anything here. If, however, the market does rally before those areas are reached I believe the stocks you have will do better than most.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Our Reporter's Report

(Continued from First Page)

is beginning to take shape as one after another of these deals develops.

There are some who are now convinced that the five or ten biggest insurance companies which could, if they so desired, usurp the top grade market, may soon get tired of entering direct bids in competition with the bankers.

It is admitted that such companies are "between the devil and the deep blue sea" so to speak. Should they proceed to "hog" the new offering field, it is argued, there is no gainsaying the fact that they would bring a storm of protest down around them, and not altogether from the investment bankers.

There are several hundred smaller insurance firms throughout the country and they are nothing if not articulate when their toes are stepped on too hard. Keeping top issues away from this aggregation could prove troublesome for the bigger members of the industry, and it is contended they may ultimately come to the conclusion that the candle is not worth the game.

Savings Banks To Bid?

The latest story going the rounds in investment circles had it that the larger savings banks, who rank well up among institutional investors, have been giving consideration to the idea of grouping together and submitting their own bids for new issues.

These reports naturally tended to add to the woes of the investment underwriting fraternity which has been in a none-too-happy mood, since the advent of the Securities and Exchange Commission's U-50 Rule.

But inquiry around among some of the larger savings banks gave the impression that the report had little, if any foundation in fact.

Several bankers revealed that the inquiry itself, was the first suggestion of any such step that they had heard. And they didn't seem to be especially interested in the matter.

Philadelphia Electrics

Current indications are that at least six banking groups will be in the field next Monday when the Philadelphia Electric Company puts its projected $20,000,000 issue on the auction block.

Carrying 2¾%, this first and refunding mortgage issue will run for 30 years. Since it carries a Triple A rating, there naturally is some disposition to wonder if the insurance companies will be in with a bid of their own or whether, as on two more recent occasions, they will work through the bankers.

Proceeds will be used to pay off an equal amount of 1½% promissory notes due Dec. 3 next.

"Rights" May Vanish

The flurry of selling which embraced short-term Treasuries earlier this week tied in with reports that these issues may not be accorded subscription "rights" in future Federal financing.

That such "rights" have enjoyed a substantial market value is evident from the action of the 1¼% notes due Dec. 15 next, which were given a prior right to the new 2½s just sold by the Treasury.

Those notes commanded a premium of well over 3 points at their best levels, and naturally if the notes maturing next March and September are not to have such "rights," they should settle down marketwise to a "money basis."

As expected, allotments against subscriptions for the Treasury's new 31-year 2½s were made on a basis of 12½%, with a total of $10,446,000,000 in subscriptions having been received.

Correction

In reporting the winners at the Field Day of the National Security Traders Association Convention in New Orleans, the Chronicle showed Frank E. Haas, of Rufus Waples & Co., Philadelphia, as winner of the first prize for Low Net, runner up prize going to M. J. Isaacs of Straus Securities Co., Chicago. Mr. Isaacs was winner of the trophy for Low Net, which was presented by Standard & Poor's Corp., Mr. Haas receiving the award for runner-up.

Perotti to Open in N. Y.

Charles J. Perotti will shortly engage in a general securities business from offices at 11 Broadway, New York City. Mr. Perotti was formerly with Northeastern Securities Co., Eisele, King & Studdiford, Josephthal & Co., and Prentice, Blauner & Brady.

UP-TOWN AFTER 3

THE STAGE

"Anne of England" by Mary Cass Canfield and Ethel Borden. Presented at the St. James Theatre by Gilbert Miller. Cast is headed by Flora Robson and Barbara Everest with Jessica Tandy, Frederick Worlock, Leo G. Carroll and Reginald Mason.

A costume play with elaborate settings covering a period in England's history when she was engaged in the Thirty Years' War against Louis XIV of France who was the Hitler of his day. The main plot deals chiefly with Anne of England, a pathetic, weak vacillating woman; Sarah Jennings, Duchess of Marlboro, advisor to the Queen, and the machinations of a group of plotters who seek to gain control of the Crown and deal directly with France. The factual history of the times is exciting, the figures that controlled England's destiny, brilliant, but unfortunately the play neither does justice to the times or the subject. The capable cast labors hard to make court intrigue come to life; it even makes timely speeches about traitors who would sell their country for their own gains. But the final result is not impressive.

THE SCREEN

"Ladies In Retirement" (Col.) Stars Ida Lupino and Louis Hayward; with Evelyn Keys, Elsa Lanchester and others. Directed by Charles Vidor.

The play from which this was taken was grim enough, but on the screen the tenseness, and the feeling of doom pervades the action to such an extent that it is almost overpowering. Ida Lupino, as the housekeeper who murders in order to keep her two unwanted crazy sisters with her is both a pathetic and sinister figure, turns in a beautiful performance. But top honors go to Louis Hayward as the absconding bank teller who isn't above a little blackmail. Still, while a fine picture from a photographic, story, and acting view, it cannot be called entertainment. It is too sombre for that. What comedy relief there is comes from the macabre actions of the crazy sisters and from Louis Hayward in his dalliance with Evelyn Keys, the maid.

"The Feminine Touch" (MGM) Stars Rosalind Russell, Don Ameche; with Kay Francis, Van Heflin, Donald Meek and others. Directed by Major W. S. Van Dyne II.

A good cast wasted on a poor story that takes too long to tell. Some parts are funny but they're too far apart and never last long. It's about a psychology professor with a beautiful wife. He doesn't believe in jealousy and writes a book to prove it. The wife believes in her husband but not his book. Eventually the pair arrive in New York to see the publisher who promptly falls for the professor's wife. There are some amusing incidents; there's even a fight (?) between two women but the whole thing is hardly worth while.

AROUND-THE-TOWN

The very swank **Monte Carlo** (49 E. 54th)—**Fefe Ferry's** little place—reopened it's doors last week to as packed a house as we have yet to see. Ostensibly all the jewels, furs, and other trappings so dear to the feminine heart were placed on display to witness the new show consisting of Russell Swann, a couple of guys named Joe and some girls rigged out in rabbit skins. But the room was jammed so tightly that not only couldn't a show go on when scheduled but when it did, about 2 a.m., it was right in people's laps. We sat right up on top of the bar holding hands with Dolly De Milhau, anyway we intended to, but that guy Hawkins from the World Telegram was in the way, and just when we thought we had a clear field, Jerry Zerbe, the society lenser slipped in. Incidentally sitting on top of a bar has many advantages. One can not only see everything that's going on but the business of reaching for soft drinks in bottles labeled "Johnny Walker" is simplified no end. We noticed a lot of apoplectic faces when tables were not available—but at once Melo! Even the mighty Maury Paul (Hearst's Cholly Knickerbocker) was adrift without a chair in which to park his ample posterior. We were lucky. We not only had a bar to sit on but if the need arose, to lay on. Becoming bored with the activities we finally hid in the **Beach Club** (called that because it's not a beach and the only sand is in the lettuce) and engaged Louis Hayward (Ida Lupino's husband) in light chit-chat. The main topic of our conversation was Heddy Lamarr, a subject on which Mr. Hayward seemed an authority. He even wrote a song around Miss Lamarr. "I Don't Want To Set the World Afire-tra-la-la" that kept us spellbound. Oh yes! the show. Well we never did get back to the main room to see it. But Ted Straete's swell band is back and John Kirby's outfit holds forth in the Beach Club. We'll report on the show some later date. . . . **Hotel New Yorker**—It's new ice show plus the mighty Benny Goodman is worth seeing and hearing. . . . If you like southern cooking at it's best don't overlook the **Olney Inn on E. 49th St.**

Murray at Wisconsin Co.

(Special to The Financial Chronicle)

FOND du LAC, WIS.,—Clarence M. Murray has become associated with the staff of the Wisconsin Co., whose main office is located at 110 East Wisconsin Avenue, Milwaukee, Wis. Mr. Murray for many years has been principal of the C. M. Murray Co. of Fond du Lac and prior thereto was with the Commercial Co.

Inactive Quotations

Greene & Co., 37 Wall Street, New York City, members of the New York Security Dealers Association, have issued a pamphlet with quotations on over 200 inactive unlisted bonds and stocks. Copies will be sent by Greene & Co. on request.

COMING EVENTS

Nov. 30-Dec. 5, 1941 (Hollywood, Fla.)

Annual IBA Convention at Hollywood Beach Hotel.

Hackett With Wulff

(Special to The Financial Chronicle)

LONG BEACH, CALIF.—Vincent B. Hackett has joined the staff of Franklin Wulff & Co., Inc., 320 Pine Avenue. Mr. Hackett was formerly local manager for Barbour, Smith & Co., Griffith-Wagenseller & Durst, and Associated American Distributors.

Calendar of New Security Flotations

OFFERINGS

GULF POWER COMPANY

Gulf Power Co. registered with SEC $5,600,000 First Mortgage Bonds, due Sept. 1, 1971. Interest rate will be supplied by amendment

Address—8-10 N. Palafox St., Pensacola, Fla.

Business — An operating subsidiary of Commonwealth & Southern Corp., engaged in northwestern portion of Florida in purchase and sale of electricity and gas

Offering and Underwriting — The bonds will be sold to public at price to be supplied by amendment. Bonds will be sold under competitive bidding rule of SEC Names of underwriters by amendment

Proceeds—From sale of the bonds, together with $250,000 in cash to be received from Commonwealth & Southern Corp., will be applied as follows: redemption at 103½ of $2,500,000 5% First and Refunding Mortgage bonds, due 1968; redemption of so much of the $3,100,000 of 4% First and Refunding Mortgage bonds as may have been issued to the RFC; and balance to be used for additions and improvements to company's electric utility plant.

Registration Statement No. 2-4833. Form A-2. (9-8-41)

Effective—4:45 P.M., E.S.T., Sept. 22, 1941.

Declaration Effective—The SEC on Sept. 22 permitted to become effective declarations filed by company regarding the proposed financing

Bids—for the sale of the bonds were received at office of Commonwealth & Southern Corp. (parent), 20 Pine St., N. Y. City, before 11 a.m. E.S.T. Oct 7.

Offered—$2,600,000 bonds (3½%) offered Oct. 9 at 103 and interest by syndicate headed by The First Boston Corp.

JACOBS AIRCRAFT ENGINE CO.

Jacobs Aircraft Engine Co. registered with SEC 140,000 shares capital stock, $1 par.

Address—750 Queen St., Pottstown, Pa.

Business—Engaged in development, manufacture and sale of aircraft engines, manufacture and sale of spare parts therefor, and sale of engine accessories. Engines produced are seven cylinder, radial, air-cooled engines of two series, rated for take-offs at 245 and 330 horse power, respectively. Unfilled orders on July 31, 1941, exceeded $20,000,000.

Offering—To be offered to public, at price to be supplied by amendment. The shares registered are issued and outstanding and will be sold for the account of five selling stockholders.

Underwriter—Riter & Co., Philadelphia, is sole underwriter.

Proceeds—To the selling stockholders.

Registration Statement No. 2-4850. Form A-1. (9-25-41).

Offered—Oct. 14, 1941 at $5.25 a share.

MISSISSIPPI POWER COMPANY

Mississippi Power Co. registered with SEC $8,927,000 First Mortgage Bonds, due Sept. 1, 1971. Interest rate to be supplied by amendment

Address—2500 14th St., Gulfport, Miss.

Business—A subsidiary of Commonwealth & Southern Corp. this company is engaged within the southeastern portion of Mississippi, in the generation, purchase, distribution and sale of electricity at retail in 135 communities, rural areas, and sale at wholesale of electricity to 6 rural cooperative associations

Offering and Underwriting—The bonds will be offered to the public at a price to be supplied by amendment. The bonds will be sold under the SEC's competitive bidding rule, with underwriters to be supplied by amendment

Proceeds—From sale of the bonds, together with $250,000 in cash to be received from Commonwealth & Southern Corp., parent company, will be used (a) to redeem $6,177,500 of 1st & Ref. Mtge. 5s, 1955, at 103½ and accrued interest, (b) redemption of so much of the $2,750,000 of 1st & Ref. Mtge. 4s of 1951 as may have been issued to the RFC, at 100 and accrued interest, and (c) to construction of additions and improvements to company's electric plant.

Registration Statement No. 2-4834. Form A-2. (9-8-41)

Effective—2:30 P.M., E.S.T., Sept, 23, 1941.

Declaration Effective—The S.E.C. on Sept. 25 permitted to become effective declaration filed by company regarding the proposed financing. Bids for the sale of the bonds will be received up to 11 A.M. on Oct. 14 at office of Commonwealth & Southern Corp., (parent) 20 Pine St., N. Y. City. Coupon rate is to be specified by bidder in multiples of ⅛%, but not exceeding 3½%.

Awarded—to Mellon Securities Corp. and associates on bid of 102,114 for 3⅛% bonds.

Offered—Oct. 16, 1941.

VICTOR CHEMICAL WORKS

Victor Chemical Works registered with the SEC 54,000 shares of capital stock, $5 par value.

Address—141 W. Jackson Blvd., Chicago, Ill.

Business — Manufacturers phosphorus, high grade phosphoric acid and phosphates for food, pharmaceutical and numerous technical purposes; also, various other chemicals & products, including ferro phosphorous, oxalic acid and formic acid.

Underwriter—F. Eberstadt & Co., Inc., New York, is sole underwriter.

Offering—Shares to be offered to public, at price to be supplied by amendment.

Proceeds to extent of $750,000 to pay in full outstanding serial bank loans; balance for working capital, expansion of manufacturing facilities.

Registration Statement No. 2-4853. Form A-2. (9-30-41).

Effective—11:00 A. M., E.S.T., on Oct. 9, 1941.

Offered—Oct. 9, 1941 at $25.50 per share

This announcement is under no circumstances to be construed as an offering of these securities for sale, or as a solicitation of an offer to buy, any of such securities. The offering is made only by the prospectus, which, however, does not constitute an offer by the underwriter to sell these securities in any state to any person to whom it is unlawful for the underwriter to make such offer in such state.

These are Speculative Securities.

Not a New Issue October 15, 1941

140,000 Shares

JACOBS AIRCRAFT ENGINE COMPANY

Capital Stock

(Par Value $1 per Share)

Price $5.25 per share

Copies of the prospectus may be obtained from the undersigned.

RITER & CO.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY, OCT. 16

AIR ASSOCIATES, INC.

Air Associates, Inc., registered with SEC 50,000 shares $1.37½ Cumulative Convertible Preferred Stock, no par; and maximum of 100,000 shares $1 par common stock, latter reserved for issuance upon conversion of the preferred.

Address—Bendix Airport, Bendix, N. J.

Business—Company is manufacturer and distributor of airplane parts, equipment, material, supplies and accessories.

Underwriter—White, Weld & Co., New York, is principal underwriter; others to be named by amendment. Underwriting commission is $2.25 per share.

Offering—Preferred stock to be offered to public, at price to be supplied by amendment.

Proceeds—$300,000 to prepay outstanding bank loans; $200,000 for purchase of additional machinery; balance for plant additions and working capital.

Registration Statement No. 2-4851. Form A-2. (9-27-41).

The company has filed an amendment to its registration statement with the Securities and Exchange Commission disclosing that its 50,000 shares of $1.37½ cumulative convertible preferred stock will be offered to the public by the following underwriters:

	Shares
White, Weld & Co.	12,500
Jackson & Curtis	10,000
Merrill, Lynch, Pierce, Fenner & Beane	10,000
Stern, Wampler & Co.	5,000
E. H. Rollins & Sons	4,000
Pacific Co. of California	4,000
Mitchum, Tully & Co.	1,500
Cohu & Torrey	1,000
Fuller, Cruttenden & Co.	1,000
Vietor Common & Co.	1,000

SATURDAY, OCT. 18

LEXINGTON TELEPHONE CO.

Lexington Telephone Co. registered with SEC 8,000 shares 5.2% Cumulative Preferred Stock, $100 par.

Address—151 N. Upper St., Lexington, Ky.

Business—Provides telephone service to 5 communities and their environs in Fayette, Jessamine and Woodford Counties, Ky.

Underwriters, and number of share underwritten by each, are as follows: J. D. Van Hooser & Co., Inc., Lexington, Ky., 3,000; Security & Bond Co., Lexington, 2,250; Almstedt Bros., Louisville, 2,000; Bankers Bond Co., Inc., Louisville, 750.

Offering—To be offered to public, at price to be supplied by amendment.

The offering price as supplied by amendment is $106 per share; Underwriting commission, $3.50 per share.

Proceeds, plus treasury funds to extent necessary, will be used for redemption on Nov. 21, 1941, of company's 8,000 shares outstanding 6% cumulative preferred stock, at redemption price of $106 per share, or to repay funds temporarily borrowed for such purpose.

Registration Statement No. 2-4852. Form A-2. (9-29-41).

SUNDAY, OCT. 19

ADEL PRECISION PRODUCTS CORP.

Adel Precision Products Corp. registered with the SEC 150,000 shares capital stock, 20 cents par value.

Address—10777 Vanowen St., Los Angeles, Cal.

Business—Business principally is the development, manufacture and sale of aircraft accessories and equipment, consisting of line supports, hydraulic equipment and other precision products, and synthetic rubber compound cushions and supports. Unfilled orders aggregated $2,000,000 on Sept. 15, 1941.

Underwriters are: Cavanaugh, Morgan & Co., Los Angeles; Lester & Co., Los Angeles; Van Grant & Co., Detroit, Mich.

Offering—The shares will be offered to the public at $3 per share; underwriting commission is 60 cents per share.

Proceeds will be used to pay off a part of the indebtedness of company, and to increase its working capital.

Registration Statement No. 2-4854 Form A2. (9-30-41 San Francisco)

SATURDAY, OCT. 25

MUTUAL TELEPHONE CO.

Mutual Telephone Co. registered with SEC 100,000 shares capital stock, $10 par.

Address—1128 Alakea St., Honolulu, Oahu, Territory of Hawaii.

Business—Company is an independent public utility furnishing telephone service on the Islands of Oahu, Hawaii, Maui, Kauai, and Malokai, Territory of Hawaii, radio telephone service between said Islands and certain ships at sea, and also wireless telegraph service between Oahu, Lanai, Hawaii, Maui and Malokai.

Underwriters—There is no underwriting in connection with this offering.

Offering—Company is offering the 100,000 shares for subscription at $10 per share to its stockholders of record Oct. 15. 1941. by offering one share for each 4 shares then held. Subscription offer expires Dec. 20, 1941. Full shares of such stock, representing fractional interests and also shares called for by warrant to be issued to stockholders, which are not exercised, will be sold at public auction in Honolulu to highest bidder therefor not later than Dec. 27, 1941, and proceeds from the auction sale in excess of $10 per share (after deduction expenses of auction) will be distributed pro rata to stockholders of record Oct. 15, 1941, whose fractional interests are disposed of and to holders of unexercised warrants.

Proceeds to prepay outstanding short term bank loans, additions to plant and equipment, working capital.

Registration Statement No. 2-4855. Form A2. (10-6-41)

MONDAY, OCT. 27

CENTRAL ILLINOIS PUBLIC SERVICE CO.

Central Illinois Public Service Co. registered with the SEC $38,000,000 of first mortgage bonds, Series A, 3⅜%, due Oct. 1, 1971.

Address—607 E. Adams St., Springfield, Ill.

Business—This operating company, a subsidiary of Middle West Corp., is engaged principally in generating, purchasing, distributing and selling electricity in central and southern Illinois. Also, provides gas, ice, water and steam heat service.

Underwriters and Offering—The bonds are to be sold by company under the competitive bidding rule under SEC's Public Utility Holding Company Act of 1935. Names of underwriters, and public offering price, will be supplied by amendment to registration statement.

Proceeds—Proceeds from sale of the bonds, together with other funds of company, are to be applied to redemption, on or about 30 days after delivery of the new bonds, of the outstanding $38,000,000 of first mortgage Series A 3¾% bonds, due Dec. 1, 1968, to be redeemed at 105¾ and accrued interest.

Registration Statement No. 2-4856. Form A2. (10-8-41)

WEDNESDAY, OCT. 29

BRIDGEPORT BRASS CO.

Bridgeport Brass Co. registered with SEC 25,486 shares cumulative convertible preferred stock, $100 par; and indeterminate number of shares of no par common stock (including scrip certificates for fractions of shares), such common stock to be reserved for issuance upon conversion of the convertible preferred stock. Dividend rate of the preferred stock will be supplied by amendment.

Address—30 Grand St., Bridgeport, Conn.

Business—Company purchases and processes copper, zinc and other non-ferrous metals and manufactures and markets brass and other non-ferrous metal alloys in various forms.

Offering—The preferred stock will be first offered to holders of company's common stock of record Oct. 24, 1941 (or, in certain circumstances, at a later date on or before Oct. 28, 1941) for subscription on the basis of one share of preferred stock for each 37 shares of common stock held. Subscription price will be supplied by amendment. The subscription offer expires approximately Nov. 5, 1941.

Underwriting—Any shares of preferred stock not subscribed to under above subscription offer, will be purchased by underwriters and sold to public, at price to be supplied by amendment. Names of underwriters, and the percentages of such unsubscribed stock to be purchased by each, are as follows (all of New York, N. Y., unless otherwise indicated):

	% of Unsub. Pfd. Stk. to be Purchased
G. M.-P. Murphy & Co.	21.525
Stone & Webster and Blodget, Inc.	15.695
Union Securities Corp.	12.752
W. E. Hutton & Co.	10.790
Hornblower & Weeks	9.809
Hemphill, Noyes & Co.	7.847
Kidder, Peabody & Co.	5.886
Spencer, Trask & Co.	5.886
Bosworth, Chanute, Loughridge & Co., Denver	3.924
Reynolds & Co.	3.924
Auchinloss, Parker & Redpath, Wash., D. C.	1.962

Proceeds—Proceeds, plus other funds of company, will be applied to payment of outstanding $2,874,000 3% notes of company, requiring $2,917,110.

Registration Statement No. 2-4857. Form A-2. (10-10-41).

THURSDAY, OCT. 30

CROCKER MC ELWAIN CO.

The Voting Trustees of Crocker McElwain Co. registered with the SEC voting trust certificates, to be issued in exchange for a like number of shares of 1,684 shares of 7% preferred stock, $100 par, and 15,000 shares of common stock, $100 par.

The voting trust certificates provide that the voting trust shall continue in effect until Sept. 2, 1944, unless terminated earlier. Unless terminated according to its terms, the voting trust will continue until Sept. 2, 1947.

Voting trustees are Elmer C. Tucker, Ralph H. Morrill, and Joseph K. Holmes.

Address—642 Main St., Holyoke, Mass.

Business—Company is engaged in manufacture and sale of paper, with its mill located in Holyoke, Mass.

Registration Statement No. 2-4858. Form F-1. (10-11-41).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AIRPLANE MANUFACTURING & SUPPLY CORP.

Airplane Manufacturing & Supply Corp., registered with SEC 69,000 shares common stock, $1 par

Address—Lockheed Air Terminal, Burbank, Cal.

Business—Purchase, service and sale of airplane equipment

Underwriters—G. Brashears & Co., Los Angeles, Cal.

Offering—The number of shares to be offered by the underwriter consists of the 69,800 shares currently registered with SEC, and 16,433 shares previously registered with the SEC. Such aggregate of 86,233 shares are already issued and outstanding and are to be offered to public for account of certain selling shareholders, to be offered to public at arbitrary prices to be determined by underwriter from time to time with regard to existing circumstances. Such offering price will not exceed 125% not be less than 110% of the highest bid price during the day of sale. Underwriting commission on the 86,233 shares of 25 cents per share

Proceeds will accrue to the selling stockholders

Registration Statement No. 2-4807. Form A-1. Filed (7-31-41) (San Francisco)

Effective—3 p.m. E.S.T. Sept. 17 as of 4.45 p.m. Sept. 6, 1941

AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg., Atlanta, Ga.

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

AUTOMATIC TELEPHONE DIALER, INC.

Automatic Telephone Dialer, Inc. registered 75,000 shares of common stock, no par

Address—1201 East Grand Street, Elizabeth, N. J.

Business — Development of automatic telephone dialing devices

Underwriter—None. Stock will be sold through registered brokers and dealers

Offering—Public offering price, $3 per share, underwriting commission 75 cents per share

Proceeds—For engineering and development expenses and working capital

Registration Statement No. 2-4752. Form A-1. (5-5-41)

Effective but apparently deficient 4:45 P.M., E.S.T., May 24, 1941

BEACON ASSOCIATES, INC.

Beacon Associates, Inc. registered SEC $500,000 6% Participating Sinking Fund Debentures, due July 1, 1971

Beacon Associates, Inc. interest rate on $500,000 Participating Sinking Fund Series A Debentures, due July 1, 1971, changed from 6% to 6½% per annum, according to amendment filed with SEC July 21, 1941

Address—216 Turks Head Bldg., Providence, R. I.

Business—Engaged in the small loan business in Rhode Island and Massachusetts

Offering—The Debentures will be offered to the public at 100 by F. L. Putnam & Co., Inc., Boston; underwriting commission is 15%, leaving net price to company of 85

Underwriter—F. L. Putnam & Co., Inc., Boston

Proceeds—Will be advanced to subsidiary for their working capital or will be used for payment of debt incurred on providing funds for advances to subsidiaries

Registration Statement No. 2-4790. Form A-2. (6-27-41)

Effective—3:00 P.M. E.S.T., August 22, as of July 17, 1941

BEAR MINING AND MILLNG COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver, Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission, 35%

Proceeds — For development equipment and operation mining property near Breckenridge, Colo.

Registration Statement No. 2-4571. Form A-1. (11-12-40)

BLACK HILLS POWER & LIGHT CO.

Black Hill Power & Light Co. registered with SEC $2,115,000 First Mortgage Bonds, Series A, due 1971; 9,400 shares 5% cumulative preferred stock, $100 par; and 100,000 shares common stock, $1 par

Address—Rapid City, S. D.

Business—Incorporated in South Dakota on Aug. 27, 1941, for purpose of continuing business and operations of the Dakota Properties of General Public Utilities, Inc., and the business and operations of the Dakota Power Properties of the Dakota Power Co. Engaged in generation, transmission, distribution and sale of electricity, in 12 communities in western South Dakota, and various unincorporated communities and rural areas.

Calendar of New Security Flotations

Offering—The bonds are to be sold to Dillon, Read & Co. at 103¼ and in turn will be resold by latter to Equitable Life Assurance Society of the U. S. at 103¾. The preferred stock and an undetermined number of shares of common stock are to be issued to General Public Utilities, Inc., in part payment for the so-called Dakota Power Properties to be acquired from that company and Dakota Power Co. The remaining shares of common stock, as well as the preferred and common stock to be received by General Public Utilities, Inc., will be offered to the public

Proceeds—To company from sale of the bonds and common stock will be used to pay General Public Utilities, Inc., and Dakota Power Co. the balance of the consideration for the properties to be acquired. Balance of net proceeds will be added to working capital.

Registration Statement No. 2-4832. Form A-2. (9-6-41)

BONWIT TELLER, INC.

Bonwit Teller, Inc. registered 39,334 shares of 5½% cumulative convertible preferred stock, $50 par, and 131,202 shares of common stock, $1 par

Address—721 Fifth Avenue, New York City

Business—Operation of specialty store in New York City

Underwriters—To be filed by amendment

Offering Terms — Preferred and common will be publicly offered at prices to be filed by amendment, except that 106,202 common shares will be reserved for conversion of preferred

Proceeds—Stock will be sold by Atlas Corp. and the American Co., parents, and no proceeds will be received by the company

Registration Statement No. 2-4748. Form A-2. (4-30-41)

BULLION, INC.

Bullion, Inc., registered 110,000 shares of $1 par 8% non-cumulative preferred stock and 110,000 shares of common stock, ten cent par

Address—1st Nat'l Bank Bldg., Deadwood, South Dakota

Business—Gold mining

Underwriter—None

Offering—Preferred will be offered at $1 per share, and common at 10 cents per share

Proceeds—For development of mining properties, purchase of machinery and equipment, and working capital

Registration Statement No. 2-4763. Form A-O-1 (5-20-41)

Effective—4:45 P.M., E.S.T. on Sept. 23, 1941 as of 4:45 P.M., E.S.T., Aug. 10, 1941.

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s, 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

COMPOSITE BOND FUND, INC.

Composite Bond Fund, Inc., registered with SEC 32,500 shares $1 par common stock.

Address—601 Riverside Ave., Spokane, Wash.

Business — Open-end investment trust, limited to investments in bonds.

Underwriting—Murphey, Favre & Co., Spokane, Wash., is underwriter and distributor, purchasing said shares at the net asset value then in effect for distribution to public at such net asset value plus 8½%.

Offering—To be offered to the public at the then prevailing market price.

Proceeds—Will be used for investment purposes.

Registration Statement No. 2-4825 Form A-1. (8-28-41)

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

HOUSTON LIGHTING & POWER CO.

Houston Lighting & Power Co. registered with SEC an indeterminate number of shares of its common stock, no par. (Company has outstanding 500,000 shares of common stock, of which 499,987 shares are held by its parent National Power & Light Co., which latter company also holds options to purchase the remaining 13 shares of outstanding common stock of company).

Address—900 Fannin St., Houston, Tex.

Business—Company is an operating public utility company principally engaged in generating, transmitting, distributing and selling electricity at retail and wholesale, serving 150 communities and an extensive rural area in Texas, including cities of Houston and Galveston.

Underwriter—None.

Offering — No public offering contemplated initially. Company is advised by National Power & Light, that that company has filed with SEC a declaration under the Holding Company Act contemplating, initially, the exchange of common stock of company which National Power & Light owns, for the $6 preferred stock of National Power & Light Co. and also contemplating that if, upon termination of such proposed exchange plan, National Power & Light still holds as much as 5% of common stock of company, it will dispose of such holdings as promptly as shall be practicable in light of then market and other conditions and with the best interests of its security holders in mind. After such disposition, company will have ceased to be either a subsidiary or an affiliate of National Power & Light Co. or Electric Bond & Share Co.

Registration Statement No. 2-4827 Form A-2. (8-29-41)

KENSINGTON MINES, INC.

Kensington Mines, Inc. has filed a registration statement covering 565,000 shares of $1 par 6 per cent cumulative preferred stock and the same number of shares of 1 cent par common 35,000 shares of $1 par 6 per cent cumulative preferred shares previously sold to promoters at $1 and 1,320,000 shares of 1 cent common previously sold to promoters at 2.65 cents a share

Address—Seattle, Washington

Business—Mining and Milling

Proceeds — For property, construction, development and working capital

Underwriters—Kressly and Campbell

Registration Statement No. 2-4697. Form A-1. (3-21-41)

Effective—4:45 P.M., E.S.T., April 9, 1941

KIRKLAND GOLD RAND, LTD

Kirkland Gold Rand, Ltd., registered with SEC, under refiling, 500,000 shares common stock $1 par

Address—360 St. James St., West, Montreal, Quebec, Canada

Business—Engaged in development, acquiring, holding, selling and operating gold, silver and other mineral mines. Company is still in the development stage

Underwriters—To be named by amendment

Offering—Above shares to be offered to public at $1.25 per share; underwriting commission is 43¾ cents per share

Proceeds—For development, purchase of equipment and working capital

Registration Statement No. 2-4727. Form A-1. Refiled (6-16-41)

LA CROSSE TELEPHONE CORP.

La Crosse Telephone Corp. registered 32,080 shares of common stock, $10 par

Address—La Crosse, Wisconsin

Business—Telephone service to La Crosse, Wis.

Underwriter—Alex. Brown & Sons

Offering—All stock registered will be publicly offered at price to be filed by amendment, except that 2,406 shares will be sold to Central Electric & Telephone Co.

Proceeds—Stock registered is owned by parent company, Middle Western Telephone Co., which will donate a portion to La Crosse Telephone Corp. and latter will use proceeds to retire outstanding preferred stock

Registration Statement No. 2-4717. Form A-2. (3-29-41)

LOUISVILLE GAS & ELECTRIC CO.

Louisville Gas & Electric Co. has registered with SEC 150,000 shares common stock, no par value.

Address—311 W. Chestnut St., Louisville, Ky.

Business—This operating utility subsidiary of Standard Gas & Electric Co. is engaged principally in the electric and gas business in Louisville, Ky., and vicinity.

Underwriters—To be named by amendment.

Offering—The 150,000 shares to be offered to the public, at price to be supplied by amendment.

Proceeds—Will be used to reimbuse in part company's treasury for funds expended for construction (approximately $7,000,000), none of which heretofore has been used by company as basis for issuance of stock or long-term debt. Remaining amount needed, for this undertaking will be obtained from sale of additional common stock; of the amount so needed, company has temporarily obtained $3,150,000 by bank loans.

Registration Statement No. 2-4848, Form A-2. (9-24-41).

McDONNELL AIRCRAFT CORP.

McDonnell Aircraft Corp. registered with SEC 6,453⅙ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,063⅓ shares common stock, $1 par

Address — Lambert-St. Louis Municipal Airport, Robertson, Mo.

Business—Engaged in designing and developing aircraft and of manufacturing and selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft

Underwriting—None. Securities to be offered by company

Offering—Of the shares registered, the 6,453⅙ shares of preferred and 64,531⅔ shares of common, will be offered to public in units each unit consisting of one share of preferred and 10 shares of common stock, at price of $140 per unit. Remaining 64,531⅔ shares common reserved for issuance on conversion of the preferred

Proceeds for working capital, purchase of tools, machinery and equipment.

Registration Statement No. 2-4844. Form A-1. (9-17-41)

Effective—4:45 P.M., E.S.T., on Oct. 8, 1941 as of 4:45 P.M., E.S.T., Oct 6, 1941.

MOORE-McCORMACK LINES, INC.

Moore-McCormack Lines, Inc. registered 30,000 shares of $5 cumulative convertible preferred stock, $100 par, and 235,000 shares of common, $1 par

Address—5 Broadway, New York City

Business—Operation of vessels in South American trade

Underwriters—E. H. Rollins & Sons Incorporated and Schroder Rockefeller & Co., Inc.

Offering—The preferred and 85,000 common shares will be offered publicly at prices to be filed by amendment. 150,000 common shares will be reserved for conversion of the preferred

The proposed offering will represent about 17% of the outstanding common stock of Moore-McCormack Lines and approximately 55% of preferred stock. Albert V. Moore, president, and Emmet J McCormack, vice president and treasurer—officers and directors associated with the company since its incorporation in 1927, retain together about 72% of the common stock, or 36% each. On Dec 31, 1940, they sold to Kuhn, Loeb & Co., Beavan Corp. and Schroder Rockefeller & Co., Inc., 30,000 shares of $5 no par preferred stock and 2,150 shares of no par common which have since been converted into 30,000 shares of $100 par preferred and 107,500 shares of $1 par common. It is understood that Kuhn, Loeb & Co. are retaining 22,500 of such common shares as an investment

Proceeds—None of the proceeds will be received by the company

Registration Statement No. 2-4715. Form A-2 (3-29-41)

NORTHERN NATURAL GAS CO.

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

Address — Aquila Court Bldg., Omaha, Nebraska

Business—Production and transmission of natural gas

Underwriter—Blyth & Co., and others to be named by amendment

Offering—Stock will be publicly offered at price to be filed by amendment

Proceeds—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

Registration Statement No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding by North American Light & Power Co. and are to be offered to public for the account of American Light & Power Co

The 355,250 additional shares orginally registered with the SEC on April 21, 1941 for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

PARQUAY OPERATING, INC.

Parquay Operating Inc., registered with SEC 55,850 shares common stock, 50 cents par value

Address—512 E. Central Ave., Albuquerque, N.M.

Business—Engaged in development and operation of a chain of retail food stores, store buildings and controlled parking built or to be built under Revolving Top Building and Parking Control Patent Franchises owned by company in Roswell, N.M. Later, it was decided to expand operations to include 11 additional stores located in 9 cities in New Mexico, including 3 in Albuquerque

Underwriting—No underwriters. The stock will be sold by company's agents under direction of its executive vice-president

Offering—The shares will be offered to public at following prices per share for each successive block of 11,170 shares each: $13.50, $15, $16.50, $18 and $19.50 per share.

Proceeds will be used to purchase 11 grocery stores to be located in 9 communities in New Mexico

Registration Statement No. 2-4842. Form A1. (9-16-41)

PARQUAY ROYALTY CO.

Parquay Royalty Co. registered with SEC 9,091 shares common stock, 25 cents par value

Address—512 E. Central Ave., Albuquerque, N.M.

Business—Company owns one grocery store built under Revolving Top Building Patent which is leased for period of 10 years from Nov. 20, 1937. Company intends to build grocery store buildings under that patent and controlled parking patents for Parquay Operating, Inc., and for other operating companies throughout New Mexico, Arizona, Utah, Nevada and Cal.

Underwriting—No underwriting. Shares to be sold by company's agents under direction of its executive vice-president

Offering—Shares to be offered at following prices for following blocks: $30 per share for first block of 1,117 shares; $32.50, $35, $37.50 and $40 per share for each of next successive blocks of 1,117 shares each; and $50 per share for last block of 3,506 shares

Proceeds to finance purchase of construction, equipment and construction of grocery stores, finance a purchasing department including warehouses, etc.

Registration Statement No. 2-4841. Form A1. (9-16-41)

PUEBLO MINING COMPANY

Pueblo Mining Co. registered with SEC 1,500,000 shares 1 Cent Par Value Assessable Common Stock

Address—Spokane, Wash.

Business—Mining

Underwriter—No underwriter named.

Offering—To be offered to public at 2 cents per share

Proceeds—Will be used for development, purchase of equipment, building, and working capital

Registration Statement No. 2-4829. Form AO-1. (9-3-41) (San Francisco)

SOUTHEASTERN INDIANA POWER CO.

Southeastern Indiana Power Co. registered with SEC 2,000 shares 6% cumulative preferred stock, $100 par

Address—Rushville, Ind.

Business—A public utility company engaged in transmitting, distributing and selling electricity in southeastern Indiana

Offering — The preferred stock will be offered to public at a price to be supplied by amendment

Underwriter—Central Republic Co., Inc., Chicago, is sole underwriter

Proceeds—From sale of the 2,000 shares preferred stock, together with aggregate of $1,152,280 to be received by company from sale of other securities ($650,000 4% first mortgage bonds to an insurance company, $350,000 Serial Guaranteed Debentures to a bank and an insurance company, and 12,500 shares $10 par common stock) are to be applied by company to acquire all the outstanding capital stock and funded indebtedness of Hoosier Public Utility Co. and for other corporate purposes

Registration Statement No. 2-4830. Form A-2 (9-6-41)

SOUTHERN ACCEPTANCES, INC.

Southern Acceptances, Inc. registered 150 shares $50 dividend Preferred stock no par, 20 shares Class A $60 dividend common stock, no par; and 30 shares Class B common stock, no par

Address—26 Wall St., Orlando, Fla.

Business—Discounting installment notes and making small loans

Underwriter—Leedy, Wheeler & Co., Orlando, Fla.

Offering—Preferred and Class A will be publicly offered at $1,000 per share, Class B common at $1,100 per share Underwriting commission $50 on preferred and Class A, and $55 on Class B

Proceeds—To repay bank loans, and for working capital

Registration Statement No. 2-4570. Form A-2. (11-12-40)

Effective—Dec. 4, 1940

TEXAMERICA OIL CORP.

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

Address — Milam Bldg., San Antonio, Tex.

Business—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

Registration Statement No. 2-4824 Form A-1. (8-27-41)

TOMASINI BRIDGE REVENUE BONDS

T. A. Tomasini, an individual, registered with SEC $20,000,000 of 3% Tomasini Bridge Revenue Bonds, due Aug. 1, 1970

Address—25 California St., San Francisco, Cal.

Business—Holds a franchise to build, maintain and operate a tube and toll bridge across San Francisco Bay from Alameda County, near Point Fleming, to Marin County near Bluff Point, both in California. The Obligor—T. A. Tomasini—also has secured necessary approval of plans, permits and authority to construct the bridge from War Department of the United States, and proposes to proceed with construction of the project. Project expected to be completed by June 27, 1944

Underwriting and Offering—The Obligor proposes to advertise for bids for all or part of the bonds by inserting a notice to that effect in one or more newspapers of general circulation in the city and county of San Francisco, and in New York City. There will be no underwriting

Proceeds will be used to construct, operate and maintain the tube and toll bridge

Registration Statement No. 2-4815. Form A-1. (8-15-41)

TRAILER COMPANY OF AMERICA

Trailer Co. of America registered with SEC 4,547 shares 7% cumulative preferred stock, $100 par, and 81,095 shares common stock, no par

Address—31st & Robertson Aves., Cincinnati, O.

Business—Manufacture, assembly, diswith the SEC, disclosing that the number tribution and sale of commercial trailers and semi-trailers, trailer bodies parts and equipment, truck bodies and cabs for tractors and trucks

Underwriters—None

Offering—The above shares to be offered by company to all its stockholders at price of $100 per share of 7% preferred and $8 per share for common, through rights, at rate of 2½% shares of 7% preferred and 5 shares of common stock for each share of 7% preferred stock held, and at rate of one share of common stock for each share of common stock held. Subscription rights evidenced by Warrants will expire on the thirtieth day after date of issue. Unsubscribed portion of the shares will be offered for sale, at same prices, to all stockholders. Any unsold shares then may be sold at same prices to general public

Proceeds—For plant extension, retirement certain bank loans, and for working capital

Registration Statement No. 2-4803. Form A-2. (7-29-41) (Cleveland)

Effective—Sept. 13 at 1:15 P.M., E.S.T. as of 4.45 p.m. E.S.T. Sept. 17, 1941

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati, Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share. Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

UNITED STATES SUGAR CORP.

United States Sugar Corp registered with SEC 200,000 shares 6.4% Series A Cumulative Participating Convertible Preferred Stock, $25 par, and 562,500 shares common stock $1 par, latter reserved for issuance upon conversion of the preferred

Address—Clewiston, Fla.

Business—Principal business consists of the culture of sugar-cane in the Everglades of Florida and extraction of raw sugar therefrom in a sugar-house adjacent to Clewiston, Fla. Sugar is presently disposed of under the contract with Savannah Sugar Refining Corp.

Underwriter—None named

Offering—The preferred shares registered are to be offered for subscription to holders of outstanding common stock and $5 preferred stock of company, of record Nov. 10, 1941, or the tenth day after offering of the stock to stockholders, whichever is later, at a price of $25 per share, on following basis: one share new preferred for each 10 shares common, and 4 shares new preferred for each share outstanding $5 preferred stock. Subscription period comprises the ten days following the record date, but company may extend the expiration date to not later than Dec. 15, 1941. Unsubscribed portion of the 200,000 shares preferred stock may be offered at others by company, at $25 per share, in sole discretion of company

Proceeds will be used for plant additions an improvements, purchase of new machinery and equipment, for retirement of outstanding $5 preferred stock, and for working capital

Registration Statement No. 2-4847. Form A2. (9-23-41)

UNITED WHOLESALE DRUGGISTS OF PITTSBURGH, INC.

United Wholesale Druggists of Pittsburgh, Inc., registered with the SEC 4,000 shares no par common stock

Address—6543 Penn Ave., Pittsburgh, Pa.

Business—Incorporated in Delaware on April 28, 1941, to engage in business of selling drug store merchandise

Underwriting—None

Offering—The 4,000 shares of common stock will be sold by the company direct to (exclusively) retail druggists, at $50 per share

Proceeds—Will be used for purchase of equipment, and for working capital

Registration Statement No. 2-4818 Form A-2. (8-22-41)

Effective—Oct 7, 1941 at 11 A. M., E.S.T.

VIRGINIA LAND CO.

Virginia Land Co. registered warranty deeds representing interests in oil and gas lands in the Everglades, Florida, about 50 miles west of Miami

Address—Theatre Building, Coral Gables, Dade County, Florida

Underwriters—None

Offering—Interests will be sold to the public at prices from $20 per acre up to $150 per acre

Proceeds — For development of lands, purchase of equipment, and working capital

Registration Statement No. 2-4767. Form S-10 (5-23-41)

Effective—Under notice of deficiency 4:45 P.M., E.S.T., Sept. 21, 1941.

WESTINGHOUSE ELECTRIC & MANUFACTURING CO.

Westinghouse Electric & Manufacturing Co. registered with SEC 534,426 shares common stock, $50 par value, and Subscription Warrants evidencing rights in respect of such shares.

Address—306 Fourth Ave., Pittsburgh, Pa.

Business—Engaged, together with its subsidiaries, in manufacture and sale of machinery, apparatus and appliances for generation, transmission, utilization and control of electricity and in manufacture and sale of steam turbines and associated equipment.

Offering—The 534,426 shares will first be offered to outstanding preferred and common stockholders of company of record Oct. 15, 1941, for subscription at rate of one-fifth of a share for each share of preferred and common stock so held, at a price to be supplied by amendment. Rights expire Oct. 28, 1941.

Underwriters—Unsubscribed portion of such 534,426 shares are to be purchased by underwriters, at a price to be supplied by amendment. Underwriters may or may not, as they may determine, make one or more public or other offerings of such unsubscribed stock. All offerings of unsubscribed stock is to be made by the underwriters either at the market price then prevailing (NYSE), or at such other prices as Kuhn, Loeb & Co., representative of the underwriters, may determine. Underwriters, numbering 119, are as follows:

Kuhn, Loeb & Co., A. C. Allyn & Co., J. S. Bache & Co., Bacon, Whipple & Co., Baker, Watts & Co., Baker, Weeks & Harden, Banc Ohio Securities Co., Bear, Stearns & Co., A. G. Becker & Co., Biddle, Whelen & Co., Blair & Co., Inc., Blair, Bonner & Co., Blyth & Co., Inc., Bonbright & Co., Alex. Brown & Sons, H. M. Byllesby & Co., Inc.

Central Republic Co., Inc., Clark, Dodge & Co., E. W. Clark & Co., Courts & Co., Curtiss, House & Co., Paul H. Davis & Co., Dick & Merle-Smith, Dominick & Dominick, Drexel & Co., Eastman, Dillon & Co., Elkins, Morris & Co., Emanuel & Co., Eastbrook & Co., Equitable Securities Corp.

Farwell, Chapman & Co., Field, Richards & Co., The First Boston Corp., The First Cleveland Corp., First of Michigan Corp., Robert Garrett & Sons, Glore, Forgan & Co., Glover & MacGregor, Inc., Goldman, Sachs & Co., Graham, Parsons & Co., Grubbs, Scott & Co.

Hallgarten & Co., Harriman, Ripley & Co., Inc., Harris, Hall & Co. (Inc.), Hawley, Shepard & Co., Hayden, Miller & Co., Hayden, Stone & Co., Hemphill, Noyes & Co., J. J. B. Hilliard & Son, Hornblower & Weeks, W. E. Hutton & Co., The Illinois Co. of Chicago, Jackson & Curtis, Janney & Co.

Kalman & Co., Kean, Taylor & Co., Kidder, Peabody & Co., Knight, Dickinson & Co., Ladenburg, Thalmann & Co., Laird & Co., Laird, Bissell & Meeds, W. W. Lanahan & Co., W. C. Langley & Co., Lazard Freres & Co., Lee, Higginson Corp., Lehman Brothers, Adolph Lewisohn & Sons, Carl M. Loeb, Rhoades & Co.

Mackubin, Legg & Co., Laurence M. Marks & Co., Mason-Hagan, Inc., A. E. Masten & Co., McDonald-Coolidge & Co., Mellon Securities Corp., Merrill Lynch, Pierce, Fenner & Beane, Merrill, Turben & Co., The Milwaukee Co., Mitchum, Tully & Co., Moore, Leonard & Lynch, F. S. Moseley & Co., Maynard H. Murch & Co., G. M.-P. Murphy & Co., W. H. Newbold's Son & Co., Newhard, Cook & Co., Paine, Webber & Co., Arthur Perry & Co., R. W. Pressprich & Co., Putnam & Co.

Reinholdt & Gardner, Riter & Co., The Robinson-Humphrey Co., E. H. Rollins & Sons Inc., L. F. Rothschild & Co., Schoellkopf, Hutton & Pomeroy, Inc., Schroder Rockefeller & Co., Inc., Schwabacher & Co., Scott & Stringfellow, Shields & Co., Singer, Deane & Scribner, Smith, Barney & Co., Smith, Moore & Co., William R. Staats Co., Starkweather & Co., Stein Bros. & Boyce, Stern Brothers & Co., Stern, Wampler & Co., Inc., Stone & Webster & Blodget, Inc., Stroud & Co., Inc., Swiss American Corp., Spencer Trask & Co.

Tucker, Anthony & Co., Union Securities Corp., G. H. Walker & Co., Wells-Dickey Co., Wertheim & Co., White, Weld & Co., Whiting, Weeks & Stubbs, Inc., Dean Witter & Co., Yarnall & Co.

Proceeds—For payment outstanding bank loans, construction of plant additions, purchase of additional equipment, and for working capital.

Registration Statement No. 2-4849. Form A-2. (9-25-41).

Subscription price of the 534,426 shares common stock, $50 par value, to be offered first to stockholders of record Oct. 15, 1941, at rate of one-fifth of a share of common for each share of preferred or common stock so held, is fixed at $70 per share. Subscription offer expires Oct. 28, 1941 at 3 P.M., E.S.T. Unsubscribed portion of such shares to be purchased by underwriters, and offered to public, at price to be supplied by later amendment.

WHITWORTH APARTMENT, INC.

Whitworth Apartment, Inc., registered with SEC 5,950 shares common stock, 25 cents par $74,375 First Mortgage 5% bonds, due Sept. 1, 1951; and $74,375 Second Mortgage Income Bonds. 6% Non-Cumulative Interest, due Sept. 1, 1961

Address—311 Securities Bldg., Seattle, Wash.

Business—Incorporated on July 3, 1941 to acquire title to Whitworth Apartment, Seattle, Wash., and to own and operate said apartment

Underwriters—None

Offering—All of the securities registered will be offered under a Plan of Reorganization, to holders of 148,750 undivided fractional shares, latter represented by Certificates of Interest. Latter may be surrendered under the plan through Seattle-First National Bank, Seattle, Wash. Owner of each 25/148,750 fractional share will receive: (a) $12.50 par value of first mortgage bonds, $12.50 par value of second mortgage income bonds, and one share of capital stock of the new company

Registration Statement No. 2-4811. Form E-1. (8-8-41) (San Francisco, Cal.)

WILLIAMS HYDRAULICS, INC.

Williams Hydraulics, Inc. registered 1,000,000 shares $5 par Class A common stock

Address—Alameda, Cal.

Business—Deep-sea dredging and manufacture of equipment therefor

Underwriters — Brown Hartwell Company

Offering—Public offering price, $5 per share, underwriting commission, $1 per share

Proceeds—Purchase of plant and equipment; purchase of seagoing vessel; equipment, and working capital

Registration Statement No. 2-4133. Form A-1. (7-19-39)

Effective—May 29 as of April 18, 1940

Investment Trusts

(Continued from page 599)

corporation is compared with an investment income of like amount received by the same corporation in the form of dividends from a Bond Fund.

DIRECT BOND OWNERSHIP METHOD	
Income from bonds held directly	$10,000.00
Deduct excess profits tax (35%) (minimum rate)	3,500.00
Balance subject to normal tax and surtax (31%, being 24% plus 7%)	$6,500.00
Deduct normal tax and surtax (31%)	2,015.00
Net bond income after taxes	$4,485.00
Total taxes 55.15% of bond income.	
BOND FUND METHOD	
Dividend income from bond fund	$10,000.00
Deduct 85% dividends received credit	8,500.00
Balance subject to normal tax and surtax (31%, being 24% plus 7%)	$1,500.00
Deduct normal tax and surtax (31%)	465.00
	$1,035.00
Add back 85% dividends received credit	8,500.00
Net income after taxes	$9,535.00
Total taxes 4.65% of dividend.	
Net investment income from bond fund	$9,535.00
Net investment income from direct holding of bonds	4,485.00
Difference	$5,050.00
Bond fund yield greater by 113%.	

"The above example is merely illustrative and will probably not apply exactly to any considerable number of cases. The possible savings will depend upon the applicable rates of tax and particularly upon whether the average earnings or invested capital method is employed. If the latter method is followed savings may not be available in some cases. However important savings should be available to many corporations. The fiscal officers of each corporation are in the best position to determine what may be saved by their own company."

RECENT DIVIDEND ANNOUNCEMENTS

Company	Amount	Payable	Stock of Record
Boston Fund	$0.16	11 20/41	10/31/41
First Mutual Trust Fund	.10	10/15/41	9/30/41
Incorporated Investors	.17	10/31/41	10/3/41
Manhattan Bond Fund	.16	10/15/41	10/6/41
National Securities Series:			
Bond Series	.10	10/15/41	9/30/41
Low-Priced Bond Series	.10	10/15/41	9/30/41
Preferred Stock Series	.14	10/15/41	9/30/41
Income Series	.09	10/15/41	9/30/41
Low-Priced Common Stock Series	.01	10/15/41	9/30/41

"JOTTINGS"

(Continued from First Page)

put another lid on, by demanding registration of ownership and threatening to force stock buyers to take bonds at the same time. Result: another shake-out, down to 200, since which Mr. Funk has again been reassuring investors.

The boom in South American bonds, which may by no means have yet reached its top, has excellent basis in current inter-American trade relations. It is doubtful whether the American public, in fact, realizes how extensively our relations with South America have changed for the better—especially for the better interest of the South Americans—in the last eight months. We are now not only buying over 50% more from South America than a year ago but we are rapidly signing up with one South American republic after another to take its entire output of various commercial staples. This "preclusive buying," originally intended to shut out Axis buyers, is now also necessary to give us the raw materials we need—and if we buy a few thousand tons more than we need, Mr. Wallace has carried over his "ever-normal" idea into the stockpiling business and won't mind our accumulating it. On top of that lease-lend and Export-Import Bank loans are developing another big southbound credit movement which may eventually make that of the late 'twenties look like small change. Last of all, the South Americans can't buy all the things they want here and have the money to pay for—due to our own priorities. Ergo, there's little left for them to do with the money except pay interest on their bonds, or at least it's vastly easier than it ever was before.

It may be a long look ahead, but current labor developments seem to head toward ultimate absorption of labor control by the Government. An interesting thesis in the much-discussed book "Managerial Revolution" is that the managers are the same in the New Deal, Germany, and Russia; and that in Germany they first weakened labor, then capital, and in Russia first capital and then labor and that, having first weakened capital in this country, they will eventually absorb labor's political power. Second step now seems under way in enforcement of the closed shop (first was collective bargaining, with NLRB running interference for national unions). Closed shop puts workmen in control of labor leaders. Now labor leaders have the task of consolidating control against "unauthorized" strikes. NLRB is now throwing its weight against them, reversing recent years. Then the regional stabilization pacts will have to be made to stick (they don't, now). Then bottleneck strikes, like recent ones in propeller plants and Calco Chemical, will have to be prevented. Then union contracts of all kinds will have to be made to stick. Then corporate income taxes will take away the cushion between higher wage demands and the public purse. And by that time, the public purse will have become much more sensitive than it is today.

Some ship operators are skeptical about the value of the new Sea Otters. Others are not so pleased about these new "Liberty" freighters (re-named from the "ugly ducklings"). They do only 10 or 11 knots, and would leave us after the war with a new version of the superfluous Hog Islanders. And we are to build 730 of them. Designed for 11 knots, they can't just have the slow engines pulled out later for faster turbines; marine engineering doesn't work that way. But this longer-sighted, non-emergency viewpoint can be heard only because of the phenomenal and unexpected speed being obtained in our merchant shipbuilding program, with construction time already cut about 50% below that of 1918, and combined British-American construction already running ahead of current shipping losses, a year earlier than anticipated.

Miscellaneous: Apparently it's tanks, now, not airplanes, that have the priority. Note how the automobile industry, which last spring was to be converted almost entirely to airframes and engines, is now to be converted to tanks. . . . And apparently the next railroad shortage is to be locomotives, as well as freightcars. . . . In fact, under lease-lend, the whole "capacity quarrel" is obsolete in its early-1941 version. We'll make all we can of everything. The only limit on increasing capacity is the men and materials it takes. Can we, for instance, spare *right now* the plates for new blast-furnaces, or the hydro-turbines for the St. Lawrence?

1941 looks at 1916

THINGS have changed a lot in 25 years and yet there is much that is the same.

In 1916 it was Preparedness; in 1941, National Defense. But now the scale is bigger, the pace faster. There was pressure on the telephone business then. The pressure is infinitely greater now. New training camps; new aviation fields; new munitions plants—all need telephones. Every one is moving faster and when a Nation hurries it does it by telephone. The Bell System spent 94 millions on new construction in 1916. It is spending more than 420 millions in 1941.

The entire Bell System organization is giving "first call" to defense. We believe you would want it that way.

BELL TELEPHONE SYSTEM

"THE TELEPHONE HOUR" IS BROADCAST EVERY MONDAY EVENING OVER THE N.B.C. RED NETWORK.

Curb Short Position

Total short position of stocks dealt in on the New York Curb Exchange for the month of September, 1941, reported as of Sept. 30, 1941, amounted to 13,155 shares as compared with 11,089 shares reported on August 29, last, the Exchange announced October 9.

Five issues showed a short position of more than 400 shares. They were:

	Sept. 1941	Aug. 1941
Am. Gas & El., com.	2,508	1,146
Cosden Petrol. Corp., common	500	7
Ford Motor of Can., class A non-vot.	415	100
Internat. Industries	1,130	----
Venez. Petroleum Co.	1,544	344

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Transfer of the Exchange membership of Lyman D. Smith to Herbert P. Dammes will be considered on October 23. It is understood that Mr. Dammes will act as an individual Floor Broker in New York City.

Proposed transfer of the Exchange membership of Edward Carleton to Irving Reiner will be considered on October 23. Mr. Reiner will continue as a partner in Milton E. Reiner & Co.

Stephen E. Budd, special partner in D. H. Ellis & Co., New York City, retired from the firm as of October 7.

Ben E. Sincere, Sincere & Co., Chicago, Ill., died on October 5.

Alfred M. Leopold, partner in James M. Leopold & Co., New York City, died on October 7, 1941; subsequent to which the partnership dissolved effective October 8.

Now E. A. Viner & Co.

Edward A. Viner, formerly in business as an individual New York Curb floor broker, has formed Edward A. Viner & Co., in partnership with A. I. Viner. Offices of the firm are at 149 Broadway, New York City.

A Tip for Mr. Rea On Equalization Plan

We have received the following letter from B. S. Lichtenstein, B. S. Lichtenstein & Co., New York City, in which he states:

"I read with a great deal of amusement, this morning, the article in the New York Times reporting on Mr. Rea's speech before the National Association of Securities Commissioners. Mr. Rea advocates the listing of all securities. Should his suggestion be adopted, I can imagine Mr. Rea's next speech would suggest all securities be listed only on the New York Curb Exchange; from his point of view this would be highly satisfactory.

"It seems peculiar that people connected with the Exchanges are continually coming back to this old subject of 'Equalization.' These people feel that they can profit by taking the business away from some other branch of their industry. To me this seems short-sighted.

"The Exchanges have the same merchandising problem that the small dealer has. This small dealer, located all over the United States, looks around for attractive securities. He learns the facts concerning these stocks or bonds and goes out and sells them the same as any manufacturer of shoes, shirts, or any other article does. In selling these securities he ordinarily makes a fair profit, for the average security dealer is fair minded. That Exchange firms can do the same thing is proven by the sales of many blocks of stocks after the close of the New York Stock Exchange, by member firms, in the recent past.

"If Mr. Rea were in the shoe business he would hire the best sales manager he could find and place him in charge of a staff of salesmen to go out and sell his product. If Mr. Rea will look over the list of securities traded on the Curb Exchange he will find many attrative situations, and if he wants to increase the volume of his institution, let him show his members how to present the facts to their customers. In this way, it seems to me, lies prosperity, for if there were more people trying to sell securities the public would become cognizant of the many outstanding bargains obtainable today.

"In closing I want to say that many of the men I know who are members of the Exchanges are complaining about the volume but they do nothing to help increase the turn-over. The only solution they can offer is to take the business from someone else—they never think of working constructively, as outlined above."

Hugh Murchison Now With Wyeth, Hass Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Hugh R. Murchison has become associated with Wyeth, Hass & Co., 647 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Murchison was formerly head of his own firm, Hugh R. Murchison & Co., Inc., and prior thereto was an officer of Rutland, Edwards & Co.

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Deep Rock Oil
•
HAY, FALES & CO.
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THE BOND SELECTOR

Problems of Bond Investment Some Unorthodox Approaches

Investment management today is one of the most difficult assignments within the realm of business. And bond investment is the most uncertain and complex division of investment management. This statement in no way belittles the job of the investor in equities, but despite the multitude of problems confronting the manager of a common stock fund, he has certain hopes; he has in prospect the relatively certain fact that eventually mounting corporate earnings and some sort of inflation will increase the principal of his fund from present depressed levels. The bondholder, on the other hand, sees prices of prime bonds at all time highs, and has the unhappy assurance that an inflationary trend will do everything but augment the value of his holdings. Perhaps the only worry which does not overly harass the bond investor is the corporation tax bogey.

The problem of supply of suitable investment quality bonds is perhaps as acute as any. When consideration is given to the meager quantity of new money raised through corporate bond channels during the past five years, this supply problem stands out in bold relief. As Lewis Douglas pointed out last week in connection with the recent Telephone financing, by far the majority of bond financing has been purely of a refunding nature on lower interest costs. Whenever a new money issue is offered for high grade funds, it goes over with a bang provided the price is such as to offer some sort of a positive yield. Witness the recent Telephone issue of $233 million convertible debentures which were offered to stockholders, 95% of whom subscribed to this large offering.

With the more recent Telephone financing, the 5½% debentures due in 1943 were redeemed at par. These bonds always were accorded a topnotch rating and never sold below 99 during the long years of the depression. Assuming that the holders of these bonds had to give them up for the 2¾s by which they were refunded, there would have been plenty of groaning at the reduced rate of interest, but the chances are better than even that the majority would have taken the new bonds. Since the entire issue was bought by three Life Companies, the holders of the 5½s did not even have a chance to replace them. Just what are the many individuals, trusts and estates going to find to replace this issue?

The answer probably is that these accounts will go into the market for a bond of inferior quality. This is one of the dangers which competitive bidding may bring along into the management of bond funds. Search as they will, bond buyers cannot secure prime issues even if they are willing to accept current low yields, unless bonds are bought which are quoted substantially above their call prices. Here, obviously, the chances of some principal loss are taken, but the queston is raised if such risks are not more worthwhile than are those inherent in stepping down in quality.

In connection with this latter question, one manager of a substantial fund argues that if the portfolio is balanced between three "groups," risks become mitigated and more or less offsetting in nature. By this procedure, one portion of the fund is allocated to governments and prime issues of staggered maturities up to 15 years in an amount equivalent to roughly 45% of the whole. This becomes the backlog of low yielding, stable principal funds. Another portion of the account is invested in issues just off the high quality bracket and is interlarded fairly substantially with first mortgage railroad bonds. The yields in this section average slightly over 4% and include some issues selling above call. The percentage included in this second group comes to about 35% of total. The balance of approximately 20% includes certain speculative issues which are expected to react in the market in direct relationship to the revenues and earnings of the obligors. This group yields between 5% and 6%. The overall maturity yield on the whole fund is something better than 4%.

To support his investment philosophy in this somewhat unorthodox account, the manager explains that the 45% committed to best quality medium terms (including Defense Bonds, series "G") has as its main weakness its vulnerability to tighter money rates. Consequently, he believes that he must have an offset to such a possible condition. Thus, the investment in the second group is confined pretty well to good grade bonds with fairly high coupons, such as Alabama Power 4½s and Santa Fe general 4s. The reasoning here is that since these bonds yield on the average better than 4%, he has a cushion marketwise against higher interest rates. The third and smallest group consists of "special situations" and one or two junior railroad bonds which are believed to have better than average profit possibilities. By this grouping, he believes he has as much protection as he can find, together with a reasonable rate of return.

Another belief held by this man and shared to a considerable degree by this column is that best quality railroad bonds and terminal issues are yielding far more than some medicore public utility obligations, and should command more attention from investors. Consequently, his account contains some of the direct and divisional liens of Chesapeake & Ohio, Pennsylvania, Atchison and terminal bonds including Chicago, St. Paul and Cincinnati.

Perhaps unorthodox conditions demand unorthodox methods in running a bond portfolio. The Life Companies have become the classic example of conservatism in bond investment, always confining themselves only to best grade issues. The individual, however, has the obvious handicap of not having a constant source of funds available to balance his cost figures. If he bought tomorrow New York City 3s, 1980, at 110 to yield 2.60% and knew that if the bonds in 10 years were selling at 83 to yield 4% and he would then be able to average a cost of 97, there would not be so much concern for the present level of prices. Since he cannot know what uninvested funds he will have, he must take other means of protecting himself, and perhaps today's unorthodoxy will be tomorrow's normalcy. Even the Life Companies are seriously considering placing funds in equities if the law permits.

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Wichman & Chapman With Goldsbury & Co.

MINNEAPOLIS, MINN.—Edward W. Wichman has become associated with J. W. Goldsbury & Co., Pere Marquette Building, as sales manager; also connected with the sales staff of the firm is Dwight R. Chapman. Mr. Wichman was previously sales manager for McCahill & Co., with which Mr. Chapman was also affiliated.

Mr. Wichman's association with J. W. Goldsbury & Co. was previously reported in the Chronicle of October 9.

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Jacobs Aircraft Stock Offered

Offering was made Oct. 15 of 140,000 shares of capital stock of Jacobs Aircraft Engine Co. by Riter & Co., as underwriter, marking the first time that the company's securities have been broadly offered to the public. The stock, priced at $5.25 a share, is being sold for the accounts of certain stockholders to whom the net proceeds of the sale will go.

Manufacturing aircraft engines, with its enlarged production almost exclusively for military purposes, the Jacobs Aircraft Engine Co. had unfilled orders exceeding $22,000,000 on its books as of July 31, 1941.

Net sales of the company for July amounted to approximately $1,450,000. For the first six months of this year they totaled $3,689,211, while for the year ended Dec. 31, 1940, they were $1,386,271.

James Kase Joining Prescott Co. Staff

CLEVELAND, OHIO—James Kase, municipal bond specialist, is joining the staff of Prescott & Co., 101 Guardian Building.

Mr. Kase has been active in the municipal bond business here since 1918, his first position being with C. E. Denison & Co. Subsequently he was manager of the municipal bond department of the Guardian Trust Co. and was with Otis & Co. In 1933 has was one of the organizers of Johnson, Kase & Co., municipal bond house. He is an attorney, having been admitted to the Ohio Bar in 1926.

Lawrence Lewis to be Du Pasquier Partner

Lawrence Lewis will become a partner in the firm of du Pasquier & Co., 11 Wall Street, New York City, members of the New York Stock Exchange, as of October 23, acquiring the Stock Exchange membership of L. Stanley Kahn, who is retiring from the firm as of the same date.

B. W. Pizzini & Co. Adds John Hemphill

John Hemphill, until recently a member of the New York Stock Exchange, has become associated with B. W. Pizzini & Co., 52 Broadway, New York City. Mr. Hemphill was formerly a partner in Lloyd & Co.

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The COMMERCIAL & FINANCIAL CHRONICLE

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Define U. S.-British Trade Relations Foreign Trade Convention Urges

A recommendation that immediate steps be taken "to define the trade and other economic relations" between the United States and Great Britain "during and after the war" was contained in the Final Declaration of the National Foreign Trade Convention, adopted on Oct. 8, at the concluding session of its annual meeting, which opened in New York on Oct. 6 under the auspices of the National Foreign Trade Council. With regard to American-British Commonwealth Relations the Declaration said:

> The Convention recognizes the necessity of the British Commonwealth to maintain the essentials of its foreign trade, but the need for creating foreign exchange, and of maintaining imports, should not obscure the American government's obligation to protect American foreign trade, finance and shipping.
>
> Immediate steps should be taken to define the trade and other economic relations which are to exist between the United States and the British Commonwealth during and after the war. Steps also should now be taken looking to the elimination of preferential export and import duties and nationalistic tendencies in colonial areas. American trade and finance seeks in the British Commonwealth, not special privileges, but the equality to which they are entitled under principles of sound commercial policy.
>
> The Convention strongly recommends that our Government endeavor to obtain definite commitments for the progressive removal of trade discriminations against the United States throughout the British Commonwealth and elsewhere, to the extent that such discriminations are the result of British policy. Such an attitude we believe to be in line with policies of permanent peace and understanding between America and the British Commonwealth. It also urges all joint action directed to the removal of discriminatory measures in all other areas.

On the subject of National Defense the Declaration stated:

> The defeat of the Axis ambition for world domination is essential to the peace and prosperity of all nations. The Convention lends its fullest support to the government's policy of naval, military and economic defense, in collaboration with the other American republics, with the British Commonwealth of Nations, and other countries resisting aggression.

The Convention commended "the continuation of the negotiation of reciprocal trade agreements," the Declaration declaring:

> Existing and prospective agreements of this nature between the United States and other friendly nations, which stimulate foreign trade on a multilateral basis in accordance with the unconditional most-favored-nation principle, are essential not only because of their beneficial effects on the welfare of nations, but also because of their important contribution to the success of a broad program of peaceful cooperation among nations which will be indispensable if the objectives of enduring peace and of economic advancement are to be attained in the post-war world. The principles underlying the trade agreements program offer the real alternative to policies of economic nationalism, which in the past proved so destructive to foreign trade and have always resulted in lower standards of living for all.
>
> Inherent in every trade agreement with other nations should be specific stipulations ensuring the provision of adequate exchange for American exports.

In settling forth its convictions as to stabilization of exchange, the Declaration stated in part:

> The United States dollar stands out as the strongest monetary unit in the world today.

(Continued on Page 633)

FROM WASHINGTON
AHEAD OF THE NEWS

It could scarcely be described as representative of the feeling of the people in the various countries involved, but the excitement in the smaller European legations and embassies in Washington has in the past 10 days been intense. The Czecho-Slovakian and Yugo-Slavian offices, which are being maintained on money which the State Department releases from the frozen funds of those countries, have, in particular, been in a state of jitters over the possibility that when Russia collapses Britain will make an agreement with Germany and leave them personally out on a limb.

It may be said authoritatively that this is also a concern of Mr. Roosevelt. It isn't that the British may run out on us, but simply that the Conservatives of Britain can't see the profit of destroying Germany and permitting Communism to run rampant over the continent of Europe. The British are more realistic about Communism than the New Deal. The latter has never looked upon Communism as a menace, to say the least. Up until the Hitler-Stalin pact it was closely allied with the Communists, looked upon them as fellow Democrats and fellow Liberals. The New Dealers were profoundly disgusted when the Communists wouldn't go along, at the outset, with their tie-up with France and Great Britain, but this was strictly

(Continued on Page 610)

THE FINANCIAL SITUATION

It can hardly fail to be a source of deep humiliation to all thoughtful citizens of the United States that another nation is apparently about to fall before the might of the German military machine while we still are in a position to little more than promise aid. Such discomfiture must be felt by even those like ourselves who have never been able to agree with a great deal that has been done and is being done in the field of international relations, since the miserable showing that has been made in the matter of armament production stands as an obvious reflection upon our justly boasted industrial might, and will remain a reflection upon it quite without refernce to what the future may show to be the real wisdom or necessity of what we as a nation have undertaken to do. Of course, a substantial part of the unpleasant situation in which we now find ourselves is an outgrowth of foolish promises and cavalier assurances which we obviously were not in a position to make good, but there can be no question in any informed mind that we should by now have reached a point in producing armament and munitions far beyond that which we have actually attained.

Whatever diplomats desperately desiring whatever aid can be had from us may say now, it may be taken for granted

(Continued on Page 611)

IN THIS SECTION

Pig iron production during September totaled 4,716,901 net tons. Page 635

Bituminous coal output during week ended Oct. 4 placed at 11,100,000 net tons. Anthracite production totaled 1,049,000 net tons. Page 616

Electric production reaches 3,314,952,000 kwh. in week ended Oct. 11, 1941. Page 633

Post-war economic problems discussed by Sumner Welles at Foreign Trade Convention—Finds guidance in Roosevelt-Churchill declaration. Page 623

H. P. Howell elected president of New York Clearing House Association—H. D. Campbell heads Clearing Committee—Transactions for year ended Sept. 30 above previous year. Page 623

F. P. Champ elected president of Mortgage Bankers Association—Remarks of C. F. Palmer and Virgil Jordan and others at convention. Page 631

Market value of bonds on New York Stock Exchange higher on Sept. 30. Page 627

New York Curb Exchange short interest up in September. Page 607

Cash subscriptions to Treasury offering of 2½% bonds of 1967-72 total $10,000,000,000. Page 639

RFC loan authorizations rise. Page 637

(Continued on Page 640)

GENERAL CONTENTS

Editorials

Page
Murder from the Air 610
Economic War 610

State of Trade

Weekly Review 615
Coal and Coke Output 616
Commodity Prices—Domestic Indexes 633
Commodity Prices—World Index 636
Crude Oil Production—Week 613
Electricity Output 630, 633
Iron and Steel Operations—Weekly Review 630
September Steel Shipments 626
Lumber Production, Shipments, Orders 626
Non-ferrous Metal Market Review 616
Petroleum and Its Products 614
Railroad Car Loadings 615
Paperboard Statistics 613
September Pig Iron Production 635

Regular Features

Financial Situation 609
From Washington Ahead of the News 609
Legal Oddities 640
Moody's Bond Prices and Yields 636
On the Foreign Front 612

Miscellaneous

Trading on N. Y. Stock Exchanges 635
Condition Member Banks 626, 627
Bank Debits 627
Market Value of Bonds on N. Y. S. E. 627
August Chain Store Sales 627
Consumer Credit Rules 631
September Municipal Bond Sales 624
Define U. S.-British Trade Relations Foreign Traders Urge 609
Treasury Bonds Oversubscribed 639
Reserve Banks Report on Business 637
RFC Monthly Reports 637
Imports—Exports Analyzed 634
N. Y. Factory Operations Continue to Expand 640

Binders For The Convenience Of Our Subscribers

Arrangements have been made with the "Expandit" Binder to supply temporary binders in which to file current issues of the Financial Chronicle in its new form. These will facilitate the use of the Chronicle and will protect copies against mutilation and loss. The cost is $2.50 plus postage for each of these binders which have been designed to hold one month's issues of the Financial Chronicle. Orders for binders should be sent to "Expandit" Binder, 25 Spruce Street, New York City.

The October 14th Issue Delayed—

The combination of labor union difficulties and the Columbus Day holiday have forced us to hold up the October 14th issue until after publication of the October 16th issue with its news, editorials and special features. Some issues are already being mailed right on schedule and we hope to be fully up-to-date very soon. At that time we plan to resume publication of much material which our readers have long found useful but which has been temporarily crowded out. We hope that our readers will be patient for just a little while longer.

From Washington

(Continued from First Page)

an organizational proposition, just as the New Dealers turned against John L. Lewis because he withdrew his support of their enterprise. The idealogical phases of Communism have never worried them; have, instead, been right up their alley.

But to the British, Communism is a distinct threat. And the distinct possibility that the British may say to themselves: What are we doing—setting out to destroy Germany and let Stalin have free rein, is a current subject of serious discussion not only among the diplomats selfishly interested but our own foreign office.

Thus, Mr. Roosevelt sought to get the fish out of the fry with his statement implying that the Russian constitution provided for religious freedom the same as our country. It was apparently a tremendous domestic and international political mistake. Pundit Walter Lippman has tried to make it appear that the incident resulted from Mr. Roosevelt's effort to handle all questions which are suddenly asked him at a press conference. This was not the case. Such questions as these are always planted. A particular and friendly newspaperman has always been told by Steve Early to ask the particular question. Mr. Roosevelt was prepared. He was deliberately trying to bolster up this country's friendship for Russia, as well as the friendship of Britain. It is not a fact, either, as he later said, when the reaction turned out to be bad, that he had asked Averell Harriman to bring the subject of religious freedom up with Stalin. The whole episode was one of those propaganda things and it boomeranged.

"Wild Bill" Donovan's mysterious office, about which Washington is trying to find out what it does, and is more likely doing little or nothing except seeking to justify its appropriations, sought nobly to come to the rescue. It primed Senator Meade of New York, to make a speech calling attention to the mistreatment of religious organizations in Germany.

Regardless of these political by-plays, the question of what England might do is a serious problem in Washington these days. Under the satisfying slogan "all-out" defense, this country's industry is being pretty thoroughly dislocated. By way of doing the "strong" man stuff, for which there had been countrywide agitation, SPAB, with Donald Nelson of Sears, Roebuck, as the particular "strong" man, has just taken over the country's building industry and said there will be no future building unless it is for the "safety, defense or health" of the nation. The building industry representatives scream that 4,500,000 men will be thrown out of employment; the SPAB says blandly that only 600,000 will. But SPAB is determined to throw the country into "all-out" defense. Oh, of course, the bureaucrats say, there will have to be sacrifices but this is the price the American people must pay to defeat Hitler. It is a fact that SPAB, and again particularly, Donald Nelson of Sears, Roebuck, is bringing order into the confusion of Washington. Orderliness and strong man stuff are what the editors have been asking for. To bring about this orderliness and strength, the SPAB sets up a veto power over Congressional appropriations, which is unquestionably what is needed if "orderliness" and "strength" of administration are the demand.

But this "orderliness" and "strength" of administration are being based upon another term—

(Continued on Page 611))

Editorial—

Murder From The Air

When William III reigned over Great Britain and Louis XIV over France, that is during the last decade of the Seventeenth Century, the bombing of cities, especially those vulnerable to naval attack, was quite as practicable as it is at the present time. The difference was that the bombs, both incendiary bombs and explosive bombs being then in familiar use, were thrown from mortars instead of being dropped from craft navigating among the clouds. A historic instance was the bombardment of the French towns of Dieppe and Havre, on the English Channel, by the British fleet under the command of Lord Berkeley, in June, 1694. John Evelyn, the English diarist of the period, says that this attack was in revenge for the treacherous defeat of the same forces, a few days earlier, at Brest, a defeat commonly attributed to the treasonable course of the first Duke of Marlborough, ancestor of Winston Churchill, the present Prime Minister of England, who learned in advance of the planned attack on Brest, immediately transmitted all he had learned to the deposed and exiled English King, James II, by whom it was relayed to the French government in time to permit ample and unexpected preparations for defense. Of the subsequent retaliation upon the channel ports, Lord Macauley wrote:—

> "The armament . . . sailed again for the coast of France, but achieved only exploits worse than inglorious. . . . Some towns inhabited by quiet tradesmen and fishermen were bombarded. In Dieppe scarcely a house was left standing; a third part of Havre was laid in ashes, and shells were thrown into Calais which destroyed thirty private dwellings. The French and the Jacobites loudly exclaimed against the cowardice and barbarity of making war on an unwarlike population. The English government vindicated itself by reminding the world of the sufferings of the thrice wasted Palatinate; . . . But whether it were consistent with humanity and with sound policy to visit the crimes which an absolute prince and a ferocious soldiery had committed in the Palatinate on shopkeepers and laborers, on women and children, who did not know that the Palatinate existed, may perhaps be doubted." *History of England: Boston; Phillips, Sampson and Company; 1856; Vol. IV, p. 411.*

The volume containing the foregoing was first given to the world during the year 1855 and it is important that the distinguished English liberal, an ardent admirer, as his historical writings disclose, of William III and most of his civil and military policies, reprobated indiscriminate attacks upon civilians when committed under British authority in terms about identical with those used today when the civil populations of the British Isles are similarly abused.

Evelyn, who wrote at a date much closer to the event, inscribed in his diary, under date of July 13, 1694, the following:—

> "Lord Berkeley burnt Dieppe and Havre de Grace with bombs in revenge for the defeat at Brest. This manner of destructive war was begun by the French, is exceedingly ruinous, especially falling on the poorer people, and does not seem to make a more speedy end of the war; but rather to exasperate and incite to revenge."

The period during which John Evelyn wrote was crude and barbarous, almost as barbarous as the years 1939 to 1941 and, it is to be feared, the year that will soon begin. That which is called civilization has dispensed with some of the crudities of 1694—men are not now executed for coin-clipping, as Evelyn records that many were in London in that year; women of high position do not die of smallpox, as he relates that Queen Mary did in its December; we have no governmental lotteries with many prizes such as that in which the French refugee of whom he tells won £1,000, although we have them with penalties of military service—but the bombardments of unoffending civilians in current warfare are, in 1941, a thousand-fold more destructive of life, limb, property, and all the elements of human welfare, than they could possibly have been at any time in the Eighteenth or Nineteenth centuries — and not one iota more defensible, or even excusable, on grounds of genuine military advantage or tolerable military expediency. No more in 1941 than in 1694 can refutation be demonstrated against Evelyn's declaration that such ruthless attacks, although "exceedingly ruinous" and "especially falling on the poorer people," wholly fail "to make a more speedy end of the war," but tend to incite and aggravate the sense of outrage and the feelings of violent enmity that lead inevitably towards its prolongation.

Americans know most, of course, of what has happened, chiefly during 1940 and 1941, within the islands of Great Britain. The Germans, or those among them, whose number is doubtless less than it may seem at the moment, who by reason of their sympathies and activities may be called the Hitlerites, have coined a word for this extremity of barbarism. In depravity of pride, they have claimed for it the term "coventration," in commemoration of what their cruelty achieved in busy Coventry in November, 1940. Douglas Reed, in his "A Prophet At Home," quite recently published in England and Canada, graphically describes not only the devastation within its narrow range but its early sequel of recovery in activity and community and industrial functions. He writes:—

> "Terrible devastation, yes. The center of Coventry, with the cathedral spire still standing, looked astonishingly like ruined Ypres, with the skeleton of the Cloth Hall, in the last war. Here the Germans had obliterated almost everything—in a small section

Editorial—

Economics of War

Costs of the vast struggle that engulfs the world are piling up steadily, and if relatively little attention is being paid to that fact, it nevertheless remains one of the most significant aspects of the war. The grim requirements of a military clash necessarily relegate to the background the question of costs and the vast incidental economic changes. But the economic aftermath of war often exceeds in importance the military and political changes upon which popular attention centers.

Rising national debts are one way of measuring the increase of the economic temperature which finally bursts the thermometer. Repudiation of the debts is out of the question and never is the method utilized to ease the strain and bridge the chasm from a pre-war to a post-war economic system. It is invariably the procedure of sharply advanced price levels and often the expedient of currency devaluation that governments use to cover the political failures of which wars are expressions.

What are the debt increases which inevitably are making for an economic convulsion? Clearly enough, we know more about our own situation than about any other. But what do we know about our own debts, save that the trend is illimitably upward? The recent Treasury financing will raise the direct debt to approximately $52,600,000,000, and the indirect debt guaranteed by the Treasury is $6,928,000,000. These are figures to which we have become accustomed only in recent years and months, and they have not yet lost their startling quality.

But infinitely more looms beyond those totals, and vast appropriations are added almost daily to the tremendous sums already voted. An independent compilation made recently in Washington disclosed that Federal appropriations and authorizations of the last two years amount to $67,500,000,000. To this figure Congress probably will add another lend-lease outlay of $5,985,000,000, and a further $1,500,000,000 for the Reconstruction Finance Corp., making the aggregate $75,000,000,000 in round figures.

Taking the existing debt, the appropriations and the prospects, it is hardly fantasy to talk of a debt of $100,000,000,000 or even $200,000,000,000 or more. The sole limitation, obviously, is the rate at which the munitions, shipbuilding and other war industries can utilize the funds which the Treasury is eager to pour out. Outgo is now far over $1,000,000,000 monthly, and every effort is being made to increase that figure rapidly.

Great Britain currently is spending at a rate comparable to our own, which is saying a good deal for a country of only one-third the population of the United States. England started much earlier and to a large degree now relies upon the so-called lend-lease supplies from the United States. The British debt totaled £11,394,000,000 at the end of the last fiscal year, with lump-sum appropriations of £1,000,000,000 each regularly provided by Parliament whenever the need arises.

Another of these appropriations was voted to the British Government early this month, and the occasion was utilized for a brief examination of the dangers inherent in the "inflation gap" between revenues and expenditures. Chancellor of the Exchequer Sir Kingsley Wood was reassuring, but many of his hearers must have been pertubed by the disclosure that only 40% of the outlay currently is covered by revenue, while the balance adds to the debt.

Precise figures of German, Italian, Japanese, French and other national debts are not available, owing to the policies of secrecy adopted in all cases. But some deductions from German figures suggest that the debt of that country already amounts to RM 79,600,000,000, and rapidly is expanding. The German occupation of France is costly to that country and perhaps will be ruinous to the currency in the end. In all countries, financial considerations are blacked out.

These are not pleasant considerations, but they must be faced realistically. They give point to a recent comment by the Institute of International Finance that "the world at large is being greatly impoverished by the war." Only here and there is any thought being given to the aftermath, and a more active concern with the looming problem plainly is the duty of economists, whether in or out of government service.

of the town, and that not vital, or even closely related to our war production.

"For eleven hours, the Germans had ceaselessly poured fire and death and destruction upon those stricken, imprisoned people. . . .

"For the first time, in this country, people knew what the Poles and the Hollanders and the Belgians and the French, in the frontier district, had suffered. Benumbed and terror-stricken, bewildered and fearful, the townspeople poured away from the town, next morning, to seek the shelter of hedges and ditches—anything was better than another night in Coventry. San Francisco or Tokyo, and their earthquakes, were not worse. Behind them the fires still burned.

"Within a few days they were back again. Placards on the ruins told where shopkeepers had resumed their trades. The nameplates of teashops were dug out of the debris, suspended from poles, and beneath them traveling teaships, on wheels, sold the same cakes and pies. The streets were gradually cleared, essential services mended. In the streets great brazen voices, from the police cars or the vans of the Ministry of Information, told the homeless where to find food and shelter. Not all the dead, perhaps, had been recovered from the ruins; but life resumed its course above them.

"It was the same everywhere I went. . . .

"Manchester, Birmingham, Mother London—all showed the same picture of senseless and ineffective destruction.

". . . . The spirit of the people, far from being broken, was not even dented. True, a factory here or there had been hit, but the sum effect of the damage to our war production was far less than any man might have feared."

It is a history, that sketched in the foregoing, which can have endless repetitions but can never be very much varied or become at all more significant in the realities of positive military gains effected by the party iniquitously responsible. It is a history that has had, and probably will for some time continue to have, its repetitions, not merely in other and the same places in England and Scotland, but throughout the Scandinavian countries, in Holland, in Belgium, in France, in Italy, in Germany, in Russia, and elsewhere. Wreaking its potent and horrid wrath more frequently upon the guiltless than upon the guilty, conquering no military opponents and gaining no military position that can be retained, this form of indiscriminate murder, which is erroneously called warfare, has slaughtered many French, many Dutch, many Belgians, many Norwegians, whose only connection with the war is that their neighborhoods were among the earliest to suffer the pangs and hardships of invasion. In Germany itself, if there are any who abhor Adolph Hitler and all his works, as there must be if sense and sanity at all remain; if there are any who await only opportunity to rise in rebellion and attempt to help bring about a new order and a new and lasting peace; if there are any already suffering because from the beginning their antipathy to tyranny and aggression has been known; these potentially helpful individuals are just as likely as any others to become the victims of indiscriminate attacks from the air—and by their very nature such attacks can be nothing but indiscriminate—just as likely as any of those most wild and wanton in their support of all that is intolerably evil in the Nazi system.

Certainly war ought to be, if the word ought can be used with any approximation of meaning in connection with warfare, the most practical and realistic of activities. But if it could be, and actually should come to be, practical in all its operations and methods, it is clearly apparent that air raiding, such as that which has destroyed, mutilated, and maimed thousands of unoffending women and children, would no longer have any place among its activities. This is not to deny that, as long as humanity resorts to force as an instrumentality in international relations, aircraft may, and probably will, continue in effective use for some military purposes. As an adjunct to ground forces operating offensively in close coordination with those in the air, military aircraft have been so used as to contribute very largely to military successes and they can be, and have been similarly and highly effective for defensive purposes. But to send air bombers over long distances to wreak death and injury upon civilians and to destroy remote enemy property is as wanton and fruitless in the middle of the Twentieth Century as it was 250 years ago when England fought with France in the same regions which constitute the central arena of the present conflict.

Moreover, leaving out all philanthropic and humane considerations, such methods are exceedingly and excessively expensive. Here and there, and, almost by chance if at all, injury or destruction may, in such a raid, be wrought against military property or military production, but all the evidence is to the effect that such consequences are much too rare and nearly always too slight to be worth, even in the coldest and most exclusively intrinsic and inhuman sense, what they have cost in time and in munitions and materials consumed. Raiding planes are sent out, not to encounter the armed forces of the enemy and reduce them to impotence or be defeated in the attempt, but to evade and avoid those forces and, stealing past them, to harm the defenseless and to destroy property that could not in any case be utilized in combat. Such raiding operations, each armed antagonist avoiding the other and undertaking to slip secretly behind the opponent's lines to wreak destruction in some unanticipated spot in his undefended rear, might be carried on for many decades, with no consequence save accumulating devastation, spreading areas of increasing suffering and privation, with diminished comfort everywhere and augmenting hatreds among peoples. Planes, projectiles, and explosives are too costly, young, capable, and brave pilots and their necessary crews are too scarce and too difficult to enlist and too expensive to train and to equip, to be used, and almost all of them eventually to be sacrificed, to accomplish merely the slaughter of non-combatants and for the indiscriminate destruction of property having no direct military uses or value. The legitimate objects of military operations must be to cripple and destroy opposing forces, while remaining immune, if possible, from equivalent injury, and to capture and to hold controlling and strategic positions and places that have been in enemy possession. Air raiding achieves nothing towards those ends or, when rarely and fortuitously it does achieve something in those directions, what it accomplishes is inevitably too slight and too sporadic, as well as too little calculable in advance, to be worth what it never fails to cost.

Consequently, whatever may be said of offensive warfare in other aspects, air raiding is merely futile and unproductive inhumanity, unworthy of human beings even when they are participating in warfare. It is wasteful of resources which they might use more effectively in operations less brutal and murderous. It reflects unfavorably upon the judgment as well as the morality of all leaders and peoples resorting to such iniquitous improvidence and relying upon it as a weapon of belligerency. Therefore, the national leaders who are first to abandon this fatuous misuse of aircraft against civilian populations and civilian property will establish a sound claim to universal respect, not only for their fundamental humanity but also for their common sense.

THE FINANCIAL SITUATION

(Continued from First Page)

that the contrast between our promises and our performance since the days immediately preceding the final collapse of France through the Balkan farce down to what may prove the eve of the Russian collapse will long stand as a black mark against our record in the minds of many thousands, yes, many millions of people abroad. The consequences may well be even more far reaching than the failure, albeit a foredoomed failure, of this country to give reality to the Wilsonian dream of a world order cleansed and made all-satisfying by the operations of a League of Nations. No nation can expect to engage in wholesale intrigue in world politics, make rash promises in private, boast repeatedly in public about what it will do for those it chooses to call its allies, and then fail so utterly both in extending effective aid and in arming itself without earning and receiving something akin to contempt from friend and foe alike.

Same Old Causes

But the situation in which we now find ourselves in these respects is not merely to be regretted, but should be most carefully scrutinized by every citizen who has the good of his country at heart to determine the reasons for the long continued failure to do even what could reasonably be expected of our industry in the premises. It should receive such study for the reason, if for no other, that it will be found that the causes of this failure are precisely those which have been responsible for our failure during the past eight or ten years to recuperate, economically speaking, and resume the march of industrial progress which has always characterized us in the past. In the reasons for our armament failure will be found likewise the causes of the financial uncertainty and distress still existing despite feverish industrial activity and still irking the New Deal critics as little else irks them. Isolate the source of our real armament difficulties and we shall have before us the factors which have held American business and finance in shackles for more than eight years.

The task of becoming the arsenal for all forces and all groups opposing the Axis powers is a problem of production, not merely production in some one plant but coordinated, smooth, efficient, and abundant production in virtually all the plants of the country. In the hey-day of the New Deal before defense little or no emphasis was placed upon production. Indeed at many points conscious effort was made to limit and restrict production. For a time at least it appeared as if the New Deal philosophy was one of a more abundant life to be created from a reduced supply of goods. But, after all, the philosophy of a few dreamers in Washington as such was and is of relatively little importance. Given a reasonable opportunity for fairly assured profit business will always supply its own initiative without reference to what some politician may think, or say, is good for the country. The trouble was that partly by reason of a perverted idea of human welfare, partly as a result of pure, or rather often

(Continued on Page 612)

From Washington

(Continued from Page 610)

"all-out" defense. Tne whole country—every man, woman and child—must divert their energies towards "all-out' 'defense. Around Washington, the taxicab drivers are speaking of "all-out" defense.

The fact is that if all the equipment, or any great part of it, which the $60 billion which has been appropriated, was sent to Britain there would scarcely be enough room for the British people to live in. And the British leaders have made it clear in no uncertain terms that they don't intend to attempt any invasion of the continent unless they have an accompanying AEF. Manifestly, this country is unwilling as yet to furnish the AEF, and no steps are yet being taken by Mr. Roosevelt or his Administration to set up one. The agitation in New Deal circles recently has been to reduce the army. Mr. Roosevelt said in his press conference that the idea must have originated with people who should be in St. Elizabeth's, Washington insane aslyum. But he has made no move to step up the size of the army and there will be an awful howl when and if he does.

Then, why this utter disruption of American industry under a slogan "all-out" defense? What is meant by it? Defense is one thing and disruption of American industry is another.

It is well known in Washington that nearly every one of the President's moves has been to encourage England, to hold out to her, as one writer has put it, that the "Yanks are coming." In this connection is the fact that he asked for another lend-lease bill of some six billion when only some $400,000,000 of the original seven billion fund had been expended. In the same category, is his current request for authority to arm merchant ships, to be followed by pressure to repeal the Neutrality Act. He has repeatedly said at press conferences that arming of merchant ships was ineffective. But all of this is in the light of encouraging Britain.

He is pursuing a day to day strategy in the greatest international poker game the world has ever known. Most people would say it is excellent and it probably would be, except that out of it has come the phrase "all-out" defense which subordinate bureaucrats are using to utterly disrupt the country.

An example of the conception of the situation which these subordinates have is the recent informal statement of Donald Nelson. He was trying out a phrase on some friends which he wanted to use in a speech. How's this, he asked:

"You've got to do either of two things, gentlemen: Either defeat Hitler or impeach Roosevelt. Now, you admit you can't do the latter. Then there is only one thing left."

He didn't realize the implications of the statement; it didn't reflect his mind. He was looking for a convincing statement to make to business groups which he, having accepted the propaganda of the New Dealers, doesn't think are yet "realistic" enough, or are yet giving their "all-out" effort. Yet his statement might well describe a situation.

The New Deal propaganda against Thurman Arnold has been given a new impetus with his letter to W. J. Carmody, Federal Works Administrator, that the action of the A. F. of L. building trades in threatening to strike against a Detroit housing project in which C. I. O. is involved, is in violation of the anti-trust laws. Arnold, the propaganda goes, simply will not play ball, even when "all-out" defense

(Continued on Page 613)

THE FINANCIAL SITUATION

(Continued from Page 611)

quite impure politics, and partly through simple ineptitude and lack of understanding business was continuously denied such an opportunity. By and large such an opportunity can exist only when full, efficient production is possible under conditions which provide reasonable assurance, or what the business man regards as reasonable assurance, of stability in the general economic and financial situation.

Requisites of Full Production

Conditions under which the full productive capacity of the nation could be exploited with confidence, or for that matter, exploited at all were never permitted to exist during the seven or eight years preceding the commencement of our armament effort, and they are not permitted, or caused, to exist at the present time, and there's the rub. Naturally, in times such as these the usual degree of assurance of stability in industry and trade can not be expected, but such uncertainty as is unavoidable in these circumstances would not greatly hinder the production effort. The trouble is that super-imposed upon unavoidable uncertainty lie not only many wholly unnecessary and arbitrarily created uncertainties but positive impediments directly affecting production. The current wave of interruptions and threats of interruptions arising from labor disputes serve as a reminder of one of the basic difficulties by which not only the defense program but business generally has been faced for years past. Let it be carefully observed that these disputes for the most part have little or nothing to do with wages, hours, or working conditions. They often have their roots in disputes not between employer and employe, but between two groups of employes each affiliated with a different labor organization. They are distressingly often but a modern version of what is termed a jurisdictional dispute, but far too frequently they reach much farther out into the economic system than ever did the old-fashioned jurisdictional dispute. The lengths to which one or the other union often goes in its endeavor to obtain an advantage over the other would have been simply incredible in normal times not many years ago—to say nothing of a time when the whole nation is supposed to be straining every nerve to produce armament in ever increasing quantity.

Many more of the current difficulties are a direct result of the stimulation the Administration has given the so-called closed shop movement. It has for some time been painfully clear that the authorities were quite content, or at all events give every appearance of being content, to have the urgency of the defense program be used by labor unions to effect closed shop arrangements, or at the very least half closed shop conditions. Labor leaders, who are the agents of their memberships and who in addition have every personal reason to desire the closed shop, with the so-called check-off if possible, naturally have not overlooked the opportunity thus presented. The Administration is, of course, responsible for the growth in recent years of the factionalism in the so-called labor movement, although it has doubtless often of late rued the day of its appearance, and has repeatedly issued emotional if vain pleas to the labor unions to end it. Washington authorities have, however, not apparently even seriously considered any effective step to put an end to this eternal nuisance, any more than it has shown the least friendliness toward any rational change in the National Labor Relations Act or the other legislation which places the employer in a straight jacket as regards his relations with his employes.

These are, of course, precisely the difficulties which were placing industry generally under severe handicaps long before the defense program was conceived. It was clear then to careful observers that industry could never really get on its feet until some effective change was made in this situation. It appeared then to most reasonable men that failure of the Administration even to recognize the existence of these conditions and these problems was wholly inexcusable. What must now be thought of its failure even for the sake of the defense program to take the neccessary steps? One thing is clear at any rate. That is that neither the defense program nor American industry will make even nearly normal progress until the situation is remedied. If the American people can not be aroused to demand action at this time, how can we expect them to become articulate and effective when the present emergency is over?

Other Handicaps

But matters that have to do with labor are not the only flies in the ointment at the present time, any more than they were prior to our crusade in behalf of the anti-Axis forces. The bungling management of the larger affairs of the country, whether they have directly to do with defense, as in the case of priorities and the like, or with the general economic situation as in the case of prices and credit manipulation, is doing its part to dishearten, perplex, not to say disgust earnest industrialists and others who are ready to do all they can in the present emergency and are doing what they are permitted by the circumstances to do. And underlying it all is the persistence in Washington of a fundamentally hostile attitude toward business, which keeps the man of affairs eternally upon the tenter hooks wondering in what direction and in what form this attitude of mind will next manifest itself. The appearance in Washington of a vigorous, scrupulously fair, and really effective management of the defense program, coupled with convincing evidence that business is no longer "in the dog-house," to drop into the vernacular, would do more than most people imagine to put the defense program on its feet. By the same token, it would do more than can well be defined to put business on its feet.

These are some of the lessons our defense program failures should bring home to the average American man and woman.

On The Foreign Front

European Stock Markets

Trading remains quiet and price changes small on the leading European financial markets, as all eyes are focused on the Battle of Moscow. The realization that the future of the European continent may be decided in the current struggle naturally overshadows other considerations. The London Stock Exchange followed a subdued course after the vast battle opened on Oct. 2, and in not a single session was any cheerfulness apparent until Tuesday, Oct. 14, when a mild rally developed. Speculative interest in a few stocks was then evident, and some buying of gild-edged issues also developed, largely owing to reinvestment of redeemed South African loans. The dullness was resumed yesterday.

Some of the markets on the Continent were inclined to reflect wider fluctuations, but the prevailing anxiety made the rallies short-lived affairs. There are few indications currently available of the daily trends at Berlin, but in general the German market has been preoccupied with internal problems and the apparent successes of German arms have produced few advances. On the Amsterdam Bourse the only noteworthy move occurred last Monday, when stocks of companies domiciled outside of Holland improved sharply. The French markets reflect little activity.

Washington Maneuvers

Hearings and debates in Washington on proposed changes in the neutrality laws and fresh appropriations for aid to various warring countries were prominent this week, and they tended to overshadow the known and unknown incidents which mark our actual participation in the European conflict. One small but significant item was reported by the Navy Department, last Saturday. The "capture and disposition" of a German-controlled radio station in Greenland was announced, and it was indicated at the same time that a small Norwegian vessel supporting the station was being sheperded to an American port for examination. The station was run, according to the Navy announcement, by an agent of the German secret police and "two other Norwegians." The presumption was that the radio station was sending weather reports to Germany.

Extreme secrecy prevails with respect to all movements of American naval vessels and the ordinary citizen no longer has adequate knowledge of activities which might at any time embroil the country fully in shooting warfare. The Atlantic patrol and the convoying which admittedly is in progress constitute measures of grave importance. In all likelihood they are of more immediate significance than the proposed measures now being debated by Congress.

Revision of the neutrality law was made the formal requirement of first importance last Thursday by President Roosevelt, in a special message to Congress asking immediate authority for the arming of American merchant ships and suggesting alteration of other "crippling" sections of that law. Arming of the ships, said Mr. Roosevelt, is a matter of "immediate necessity and extreme urgency." Changed world conditions were said to have made this advisable, and in the course of his argument the President dilated on the Nazi desire to rule the world. The "unscrupulous ambitions of madmen," he said, made necessary not only a return to the ancient doctrine of freedom of the seas, but also requires the delivery of defense supplies to countries attacked by the dictators.

In hearings before the House Foreign Affairs Committee no less than three Cabinet Ministers took the witness chair, Monday, and testified on the need for revising the neutrality legislation. Some of this testimony was even less temperate than the comments by the President. Secretary of State Cordell Hull, Secretary of War Henry L. Stimson, and Secretary of the Navy Frank Knox all agreed that immediate action was necessary. The tone was set by Mr. Hull, who declared after a suitable denunciation of the German Nazis that the United States "cannot turn and walk away from the steadily mounting danger" of a military conquest of the world by the Reich.

Costs of the thunderous Administration intervention in foreign wars gained continuous emphasis as the second lend-lease appropriation moved through Congress. The House adopted without a major change, last Friday, the proposal to set aside $5,985,000,000 for aid to Great Britain, China, Russia and other countries. This sum, of course, is on top of the $7,000,000,000 originally appropriated for lend-lease aid, and there is no possible way of telling where the limit of such outlays may be. All the indications point, however, to a close examination of both the neutrality law changes and the fresh lend-lease appropriations before Congressional approval is completed.

At Congressional insistence, disclosure was made by the Navy Department, Tuesday, of the actual circumstances surrounding the attack by a German submarine on the American destroyer Greer, early in September. It appears, according to the official account, that a British airplane signaled the Greer of the presence of a submarine in the path of the vessel when it neared Iceland. The lurking undersea craft was trailed both by the British airplane and the American destroyer, and the airplane endeavored to sink the German ship by bomb attacks. After some hours the German submarine sent several torpedoes which fortunately missed the Greer, and the destroyer dropped a number of depth bombs, which it would seem, also failed to find their mark. This full account suggests that President Roosevelt was less than candid when he first announced the incident.

Moscow Endangered

German and Russian troops are fighting fiercely in a narrowing semi-circle around the City of Moscow, which now is the admitted goal of the vast Nazi drive heralded by Chancellor Hitler on Oct. 3. The battle is regarded by competent military experts as the greatest in all recorded history, and there is no reason to doubt this judgment, since millions of men are engaged and the fate of a continent hangs on the outcome. It is an all-out clash in which losses probably are secondary in importance to the military commanders and the leaders of the two nations involved. But the losses necessarily must be tremendous, both in men and materials.

The little so far known and determined with respect to the immense battle which began Oct. 2 indicates that the Nazis are moving forward impressively. Some of the German claims unquestionably are premature, as Berlin spokesmen affected to see a clear path to Moscow at the start of this week. Actually, the Communists are battling bravely and stubbornly to defend their native soil of "Holy Russia" against the invading hordes. The Russians have been forced back north, west and south of the capital, but doubtless can be expected to put up an ever more effective resistance as their lines of supply shorten and those of the Nazis lengthen. Cold weather and even some snow already is reported in the Moscow area, which may tend to slow the Nazi drive. The Germans assert, on the other hand, that they now have attained a region in which roads are relatively good and serviceable.

That the current battle may turn out to be the crucial one of the Russo-German war is fairly obvious, notwithstanding statements that defeat will only mean a Russian retreat to the Volga or behind the Urals. Little is known of the Russian morale, but whether it would survive the loss of the capital remains to be seen. Much of the Russian industrial establishment would be in German hands if the capital falls, for all of the Ukraine would follow and it might not be long before Leningrad and Odessa also fell, in that event. All that is certain, however, is that the situation is grave, for this much the Russians themselves concede.

German claims, if correct, would leave little question of the outcome of the gigantic struggle for Moscow. They cannot be credited in full, since the path to Moscow would be open if the Russians killed, wounded or captured in the war really numbered 6,000,000, as the Nazis assert. Russian claims are similarly to be taken with a large dose of salt. Only ten days ago the official Russian spokesmen remarked that the Germans will never see Moscow until they can see their ears withous mirrors. There now is reason to believe that the Nazis are approaching the outer defenses of the Russian metropolis.

No foreign press or military observers appear to be at the front on either side, which makes difficult the task of military experts who endeavor to gauge the course of battle from a distance. The statements by the Nazis and Communists are in agreement, however, that extensive drives by the invaders started from two points in the center of the 750-mile front from Lake Illmen to the Sea of Azov, while a third drive from the Valdai hills toward Moscow developed in strength this week. Whether the aim of the Germans is to invest the capital itself, or first to encircle it is not clear. The aim of the Russians, quite obviously, is to throw back the Germans.

In their most significant drive the Germans made straight for Moscow, on both sides of the great highway from Smolensk, and an encirclement of large numbers of Russian troops is claimed by the Nazis around Vyazma. Another drive moved from the Gomel area toward and around Bryansk, where another sizable encirclement is claimed. Both Vyazma and Bryansk were claimed by Berlin a week ago, and the loss of both points was admitted by the Russians last Monday. The German forces drove on and took Orel and Kaluga, according to the Berlin High Command announcements. Desperate counter-attacks by the Russians slowed down the Nazis, according to Moscow. Borodino, where Napoleon bested the Russians just before entering Moscow, was passed by the Germans on Tuesday, according to London dispatches, which added that the invaders were thrown back at Mozhaisk, ten miles nearer the capital.

The drive of the Germans from the Valdai hills is veiled in even greater obscurity than other sectors of the vast and seething front. But dispatches yesterday indicated that the Russians are being forced back also in this area. Moscow indicated briefly in its official statement yesterday that sharp fighting continues "in the direction" of Vyazma, Bryansk and Kalinin. The latter city is the obvious objective of the German move from the northwest, and the Moscow statement thus suggests a fresh threat to the defenders.

According to Berlin, the Russians already have lost 500,000 effectives in captures by the Nazis during the concentric battles of Vyazma and Bryansk, while the dead and wounded are almost numberless. This increases to approximately 3,000,000 the captives which the Germans claim for the course of the war. The Germans estimate that another 3,000,000 Russians were killed or wounded. Russian claims of German losses are not much lower.

The battle for Leningrad raged relentlessly and without much apparent regard to the course of the struggle for Moscow. Defenders of the former Russian capital staged sortees but seemingly were unable to break the siege. Nazi forces made no progress and finally declared an intention of starving Leningrad into submission. Far to the south the Germans swept on along the northern shore of the Black Sea, and claimed a week ago the capture of Mariupol. Russian spokesmen admitted the loss of Mariupol yesterday. Rostov, on the Don, is the apparent military objective of

(Continued on Page 610)

Daily Average Crude Oil Production for Week Ended Oct. 11, 1941, Gains 210,200 Barrels

The American Petroleum Institute estimates that the daily average crude oil production for week ended Oct. 11, 1941 was 4,070,950 barrels. This was a gain of 210,200 barrels from the output of the preceding week and the current week's figures were above the 4,012,900 barrels calculated by the U. S. Department of the Interior to be the total of restrictions imposed by the various oil-producing States during October. Daily average production for the four weeks ended Oct. 11, 1941 is estimated at 4,016,450 barrels. The daily average output for the week ended Oct. 12, 1940, totaled 3,641,550 barrels. Further details as reported by the Institute follow:

Reports received from refining companies owning 86.4% of the 4,538,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 4,075,000 barrels of crude oil daily during the week, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of the week, 81,381,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 13,515,000 barrels during the week.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	aB. of M. Calculated Requirements (October)	State Allowables	Actual Production Week Ended Oct. 11 1941	Change from Previous Week	4 Weeks Ended Oct. 11 1941	Week Ended Oct. 12 1940
Oklahoma	481,500	428,000	b428,200	—4,500	428,600	389,600
Kansas	253,000	253,000	b231,650	—8,050	247,200	197,100
Nebraska	5,300	------	b6,250	—200	6,500	2,400
Panhandle Texas			84,400	+12,900	80,550	81,150
North Texas			103,850	+3,300	102,550	109,500
West Central Texas			30,850	+400	30,750	31,050
West Texas			279,700	+48,200	267,300	231,100
East Central Texas			83,500	+3,800	83,250	74,550
East Texas			369,700	+71,350	351,850	374,950
Southwest Texas			218,500	+39,050	208,300	221,450
Coastal Texas			293,150	+44,350	281,700	224,550
Total Texas	1,420,100	c1,485,966	1,463,650	+223,350	1,406,250	1,348,300
North Louisiana			80,100	—250	80,450	65,900
Coastal Louisiana			256,200	+3,000	254,550	218,550
Total Louisiana	332,000	339,233	336,300	+2,750	335,000	284,450
Arkansas	78,200	73,415	71,250	—3,100	74,250	71,400
Mississippi	43,900		b62,200	+1,450	58,200	16,050
Illinois	399,200		407,350	—30,900	418,500	346,100
Indiana	20,100		b19,250	—900	19,650	19,100
Eastern (not incl. Ill. & Ind.)	98,100		93,350	—750	93,700	90,250
Michigan	44,100		57,600	+2,900	54,350	47,800
Wyoming	84,300		90,300	+1,500	89,000	78,600
Montana	20,300		20,100	—450	20,450	18,650
Colorado	5,000		4,700	—200	4,850	3,450
New Mexico	114,600	114,600	114,500	----	114,400	101,100
Total East of Calif.	3,399,700		3,406,650	+182,900	3,370,900	3,014,350
California	613,200	d613,200	664,300	+27,300	645,550	627,200
Total United States	4,012,900		4,070,950	+210,200	4,016,450	3,641,550

aThese are Bureau of Mines' calculations of the requirements of domestic crude oil based upon certain premises outlined in its detailed forecast for the month of October. As requirements may be supplied either from stocks, or from new production, contemplated withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced.

bOkla., Kans., Neb., Miss., Ind. figures are for week ended 7 a. m. Oct. 8.

cThis is the net basic 31-day allowable as of Oct. 1, but experience indicates that it will increase as new wells are completed, and if any upward revisions are made. With a few exceptions the entire State, including Panhandle, was ordered shut down on Oct. 4, 5, 11, 12, 18, 19, 25, 26 and 31.

dRecommendation of Conservation Committee of California Oil Producers.

NOTE:—The figures indicated above do not include any estimate of any oil which might have been surreptitiously produced.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED OCT. 11, 1941

(Figures in Thousands of Barrels of 42 Gallons Each)

District	Daily Refining Capacity Potential Rate	P. C. Reporting	Crude Runs to Stills Daily Aver.	P. C. Operated	Gasoline Produc'n at Refineries Incl. Natural Blended	Stocks Finished & Unfinished Gasoline	b Stocks of Gas Oil and Distillates	b Stocks of Residual Fuel Oil	c Stocks Aviation Gasoline
East Coast	673	100.0	636	94.5	1,655	18,387	19,418	10,226	E. Coast
Appalachian	166	83.8	129	92.8	426	3,265	641	424	664
Ind., Ill., Ky	752	84.4	648	102.0	2,553	14,937	5,689	4,638	Interior
Okla., Kans., Mo.	413	80.7	304	91.3	1,189	6,951	2,167	2,082	1,371
Inland Texas	263	63.2	141	84.9	662	2,222	500	1,406	Glf. Cst.
Texas Gulf	1,097	91.0	1,000	100.1	3,266	12,069	6,387	8,913	2,816
Louisiana Gulf	156	94.2	158	106.8	386	2,524	1,789	1,998	
No. La. & Arkansas	95	49.9	57	121.3	181	415	400	438	Calif.
Rocky Mountain	136	50.1	55	80.9	226	1,006	134	348	2,086
California	787	90.9	587	81.1	1,621	14,215	12,914	63.679	
Reported		86.4	3,715	94.7	12,165	75,991	50,039	94,152	6,937
Estimated Unreported			360		1,350	5,390	1,250	1,375	385
*Estd. total U. S. Oct. 11, 1941	4,538		4,075		13,515	f81,381	51,289	95,527	7,322
Oct. 4, 1941	4,538		4,015		13,359	80,870	g49,656	96,016	7,322
U. S. B. of M.: *Oct. 11, 1940			d3,529		e11,680	81,029	48,895	107,348	6,082

aEstimated Bureau of Mines' basis. bAt refineries, bulk terminals, in transit and in pipe lines. cIncluded in finished and unfinished gasoline total. dOctober, 1940 daily average. eThis is a week's production based on U. S. Bureau of Mines October 1940, daily average. fFinished, 73.899,000 bbl.; unfinished, 7,482,000 bbl. gRevised upward in East Coast district by 103,000 bbl. due to error by reporting company.

From Washington

(Continued from Page 611)

and "cooperation" is necessary.

The fact is that the A. F. of L. has for years been fighting the pre-fabricated housing industry which is involved in this dispute. It is also a fact that Hillman made his agreement to let the building trades council of A. F. of L. have a closed shop in defense building within a few weeks after he was named co-director of OPM. He did it because the building trades people, wary of him, his being a C. I. O. man, came to him and said: Now Sidney, just how are we going to get along? And Hillman, confronted with the opposition of John L. Lewis, decided he had better make a deal with a strong A. F. of L. group. The Detroit housing situation is not the first raw thing to come up. Under this deal Hillman made poor unemployed carpenters seeking work on army camp buildings throughout the country were forced to pay $50, or agree to have it taken out of their pay, before they could get employment. Union agents, working on a commission basis, cashed in magnificently. Men who were not carpenters were given jobs until their $50 had been paid in, then discharged.

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Asociation, Chicago, Ill. in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
1940—*Month of—*					
January	528,155	579,739	167,240	72	71
February	420,639	453,518	137,631	70	71
March	429,334	449,221	129,466	69	70
April	520,907	456,942	193,411	70	70
May	682,490	624,184	247,644	76	72
June	508,005	509,781	236,693	79	73
July	544,221	587,339	196,037	72	73
August	452,613	487,127	162,653	74	73
September	468,870	470,228	163,769	72	73
October	670,473	648,611	184,002	79	73
November	488,990	509,945	161,985	77	73
December	464,537	479,099	151,729	71	73
1941—*Month of—*					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
September	642,879	630,524	578,402	94	--
Week Ended 1941—					
May 3	165,583	147,188	447,525	83	80
May 10	170,436	148,381	466,064	84	80
May 17	161,295	149,884	472,782	84	80
May 24	168,875	152,410	489,915	85	81
May 31	155,831	151,648	488,993	84	81
June 7	156,188	144,481	500,252	84	81
June 14	158,821	156,439	504,786	88	81
June 21	168,561	153,364	518,755	88	82
June 28	151,114	154,711	509,231	90	82
July 5	149,197	129,019	529,633	74	82
July 12	147,365	131,531	542,738	77	82
July 19	168,431	156,989	550,902	92	81
July 26	182,603	160,609	572,532	92	82
Aug. 2	159,844	159,272	572,635	93	83
Aug. 9	174,815	159,894	587,498	91	83
Aug. 16	169,472	162,889	592,840	92	83
Aug. 23	158,403	162,964	584,484	94	83
Aug. 30	157,032	163,284	576,529	97	84
Sept. 6	147,086	133,031	591,414	80	84
Sept. 13	164,057	166,781	589,770	98	84
Sept. 20	176,263	166,797	583,716	99	84
Sept. 27	155,473	163,915	578,402	98	85
Oct. 4	176,619	168,256	582,287	100	85

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Steel Output Still Hampered By Labor Trouble

The "Iron Age" in its issue of Oct. 15 reported that events of the last few days have upheld the position of steel union leaders that there are two defense programs, the National Defense Program and the "union defense program." Flash strikes in metal-working plants vital to defense (The National Defense Program) continued this week in many industrial areas. In some ways the "union defense program," despite a belated plea by President Roosevelt for industrial peace, was, from the viewpoint of union leaders, making the greater progress. For example, last week's strike at Carnegie-Illinois Steel Corp.'s Gary plant resulted in a loss, which cannot be made up, of 40,000 tons of steel ingots, of more than 30,000 tons of rolled steel products and about 25,000 tons of pig iron.

The steel lost in the Carnegie-Illinois strikes, the "Iron Age" estimates, could have been used to manufacture 2,856 fighting tanks, or more than 2,200 railroad cars, or 54 submarines, or more than a half million 155 MM. Howitzer shells, or 13 merchant ships.

Ohio strikers this week continued to subordinate the national defense efforts to their particular demands for jurisdictional rights or higher pay. The Midland Steel Products Co. strike went into its second week, with indications that the wage dispute would soon be certified by federal conciliators to the National Mediation Board. Meanwhile, this work stoppage had thrown 6,000 Studebaker employees out of work at South Bend, Ind., and was threatening Willys-Overland output of Army "Jeeps." The Spicer Manufacturing Plant at Toledo, Ohio, producing 70% of combat vehicle transmissions, was idle because CIO workers refused to handle parts made by AFL employees at Spicer's Hillsdale, Mich. plant. Striking truck drivers in Akron, Ohio, allowed three carloads of Caterpillar Treads to leave that city for the White Motor Cleveland Plant.

Ingot production this week is estimated by the "Iron Age" at 98% of capacity, a gain of a half point above last week's revised rate of 97.5%, but threats of strikes in several areas, coupled with the possibility of additional openhearth furnaces being forced down because of lack of scrap, suggest that ingot output may fall below 98% before the week ends. Changes in district operating rates are scattered, with Chicago plants scheduled at 101%, rebounding from a decline to 93% last week. Youngstown district plants have gained two points to 104% and the South advanced two and a half points to 99%. Several steel-producing areas, particularly Eastern Pennsylvania and Southern Ohio, report minor fluctuations in operations because of lack of scrap.

Disagreement with the working out of the Defense Priorities system at midweek varied by individual plants, industries and by districts. In Ohio, Indiana, Illinois and in other areas metal-working plants were most highly concerned for the continued existence of their businesses under a war economy. On the West Coast, however, "Iron Age" inquiries showed no plant larger than the alley size had been forced to shut down because of insufficient materials. Up to the present, coast firms for the most part have been able to divert their activities, use substitute materials, or make other adjustments to continue operations. Few of the companies questioned, however, have been able to obtain all the materials they would like to have.

A similar survey of plants in the Cleveland area shows considerable dissatisfaction over inequalities in the defense program.

(Continued on Page 614)

Steel Output Still Hampered By Labor Trouble

(Continued from Page 613)

Sharply-rising wages for defense workers was complained of most often.

For some steel companies the volume of incoming business is running midway between the August level which was the high point and the September level which was the low point in the current movement. The recent upward trend in bookings apparently reflects success on the part of consumers in obtaining priority ratings for essential requirements. Distribution of available steel supplies to the most vital points continues to be one of the toughest problems ever faced by the steel industry, a condition which suggests that eventually direct allocation of steel will replace the priority system or that some simpler distribution system will be developed.

Structural steel awards jumped to 23,900 tons from 8,400 tons last week, the outstanding lettings being 8,000 tons for the Douglas Aircraft plant at Long Beach, Cal., 4,505 tons for a Navy hangar at Elizabeth City, N. C., and 4,200 tons for a powder plant at Choteau, Okla.

THE "IRON AGE" COMPOSITE PRICES

Finished Steel

Oct. 14, 1941, 2.30467c a Lb.

One week ago	2.30467c.
One month ago	2.30467c.
One year ago	2.30467c.

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

	High		Low	
1941	2.30467c.	Sep 2	2.30467c.	Sep 2
1940	2.30467c.	Jan 2	2.24107c.	Apr 16
1939	2.35367c.	Jan 3	2.26689c.	May 16
1938	2.58414c.	Jan 4	2.27207c.	Oct 18
1937	2.58414c.	Mar 9	2.32263c.	Jan 4
1936	2.32263c.	Dec 28	2.05200c.	Mar 10
1935	2.07642c.	Oct 1	2.06492c.	Jan 8
1934	2.15367c.	Apr 24	1.95757c.	Jan 2
1933	1.95578c.	Oct 3	1.75[illegible]c.	May 2
1932	1.89196c.	Jly 5	1.83901c.	Mar 1
1931	1.99629c.	Jan 13	1.865[illegible]c.	Dec 29
1930	2.25488c.	Jan 7	1.97319c.	Dec 9
1929	2.31773c.	May 28	2.26498c.	Oct 29

Pig Iron

Oct. 14, 1941, $23.61 a Gross Ton

One week ago	$23.61
One month ago	23.61
One year ago	22.61

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati.

	High		Low	
1941	$23.61	Mar 20	$23.45	Jan 2
1940	23.45	Dec 23	22.61	Jan 2
1939	$22.61	Sep 19	$20.61	Sep 12
1938	23.25	Jun 21	19.61	Jly [illegible]
1937	23.25	Mar 9	20.25	Feb 16
1936	19.74	Nov 24	18.73	Aug 17
1935	18.84	Nov 5	17.83	May 14
1934	17.90	May 1	16.90	Jan 27
1933	16.90	Dec 5	13.56	Jan [illegible]
1932	14.81	Jan 5	13.56	Dec [illegible]
1931	15.90	Jan 6	14.79	Dec 15
1930	18.21	Jan 7	15.90	Dec 16
1929	18.71	May 14	18.21	Dec 17

Steel Scrap

Oct. 14, 1941, $19.17 a Gross Ton

One week ago	$19.17
One month ago	19.17
One year ago	20.67

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

	High		Low	
1941	$22.00	Jan 7	$19.17	Apr 10
1940	21.83	Dec 30	16.04	Apr 9
1939	22.50	Oct 3	14.08	May 16
1938	15.00	Nov 22	11.00	Jun 7
1937	21.92	Mar 30	12.92	Nov 10
1936	17.75	Dec 21	12.67	Jun 9
1935	13.42	Dec 10	10.33	Apr 29
1934	13.00	Mar 13	9.50	Sep 25
1933	12.25	Aug 8	6.75	Jan 3
1932	8.50	Jan 12	6.43	Jly 5
1931	11.33	Jan 6	8.50	Dec 29
1930	15.00	Feb 18	11.25	Dec 9
1929	17.58	Jan 29	14.08	Dec 3

The American iron and Steel Institute on Oct. 13 announced that telegraphic reports which it had received indicated that operating rate of steel companies having 91% of the steel capacity of the industry will be 98.4% of capacity for the week beginning Oct. 13, compared with 98.1% one week ago, 96.1% one month ago and 94.4% one year ago. This represents an increase of 0.3% points or 0.3%, from the preceding week. Weekly indicated rates of steel operations since Oct. 7, 1940, follow:

1940—		1941—					
Oct 7	94.2%	Jan 6	97.2%	Mar 24	99.8%	Jun 30	x91.8%
Oct 14	94.4%	Jan 13	98.5%	Mar 31	99.2%	Jly 7	x94.9%
Oct 21	94.9%	Jan 20	96.5%	Apr 7	99.3%	Jly 14	x95.2%
Oct 28	95.7%	Dec 30	95.9%	Apr 14	98.3%	Jly 21	x96.0%
Nov 4	96.0%	Jan 27	97.1%	Apr 21	96.0%	Jly 28	x97.6%
Nov 11	96.1%	Feb 3	96.9%	Apr 28	94.3%	Aug 4	x96.3%
Nov 18	96.6%	Feb 10	97.1%	May 5	96.8%	Aug 11	x95.6%
Nov 25	96.6%	Feb 17	94.6%	May 12	99.2%	Aug 18	x96.2%
Dec 2	96.9%	Feb 24	96.3%	May 19	99.9%	Aug 25	x96.5%
Dec 9	96.0%	Mar 3	97.5%	May 26	98.6%	Sep 2	x96.3%
Dec 16	96.8%	Mar 10	98.8%	Jun 2	99.2%	Sep 8	96.9%
Dec 23	80.8%	Mar 17	99.4%	Jun 9	98.6%	Sep 15	96.1%
				Jun 16	99.0%	Sep 22	96.8%
				Jun 23	99.9%	Sep 29	96.9%
				Oct 6	98.1%	Oct 13	98.4%

x The revisions in the rates published for previous weeks reflect the recently announced increased capacity of the industry, rated as of June 30. 1941.

"Steel" of Cleveland, in its summary of the iron and steel markets on Oct. 13, stated:

Important action was taken last week to improve the situation in steel and iron scrap, scarcity of which already has caused some curtailment in steel production.

General preference order M-24, effective Oct. 11, placed all scrap under full priority. Reports will be required each month for the previous month, from all producers, dealers, brokers and consumers, covering inventory, production, sales and consumption. From these reports a pattern of the market will be developed and a general policy adopted for distribution of scrap under mandatory orders. Priority order No. 1 applies in all its provision as a basis for the new order.

A further factor in the scrap situation is the announcement last week by Leon Henderson, price administrator, that his office is not considering revision of ceiling prices on scrap or change in classification that might raise prices on some grades. This may release any scrap that has been held for expected better prices.

Scrap shortage continues to threaten steel production generally and a number of open hearths already are idle. Many mills have less than a month's supply on hand and consumption outruns receipts.

A growing threat to steel production exists in the labor situation, signalized by the two-day interruption at Chicago last week, which cut the national operating rate 1½ points, representing a substantial tonnage. This may be the start of a concerted drive for the closed shop in the steel industry.

Tightest situation in steel products is in plates and shapes. Estimates of current shipbuilding needs range from 175,000 to 225,000 tons per month and railroad requirements are perhaps second in point of tonnage allocated, though still well below those of shipyards.

Pig iron distribution is proceeding better after two months' experience of allocations. Unduly large inventories are being worked down and while this is proceeding more tonnage is available for smaller melters. Added blast furnace capacity is furnishing greater aggregate tonnage.

SPAB has announced a new policy under which no public or private construction using critical materials may be started during the emergency unless they are necessary for direct national defense or essential to health and safety of the public. The ruling applies to public projects, federal, state and local, commercial, private and utility construction.

Ingot production in September, 6,819,706 net tons, was slightly smaller than in August, the month being shorter and Labor Day intervening. However, average weekly output was larger than in August and was the second highest on record, exceeded only in March, 1941. Production for nine months, 61,550,888 tons, is within 8% of the record-breaking tonnage of the entire year 1940 and 30% above the like period last year.

Automobile production last week was 79,065 units, an increase of 2,245 over the 76,820 built the previous week. This compares with 107,957 in the corresponding week of 1940. Production apparently is at a rate to meet the reduction from last year's figure set by the Government, covering fourth quarter.

Iron and steel imports in July totaled only 1,631 gross tons, compared with 3,717 tons in June, and seven months imports were 12,339 tons, against 42,178 tons in the same period last year. July scrap imports were 9,418 tons, against 6,473 tons in June, practically all coming from Cuba.

Warehouses are entering the market in an effort to place orders under the recent quota announcement, in the effort to fill gaps in their stocks. While some dissatisfaction is expressed over the quotas general opinion is that the situation will be bettered and trade served by distributors will be able to obtain better supply.

Steelworks operations last week declined 1½ points, to 94½%, principally a result of the two-day strike at the Gary works of Carnegie-Illinois Steel Corp., which cut the rate in the Chicago district 9½ points to 92%. This district had scheduled 101% for the week. In all but one of the other districts the rate held or increased. Pittsburgh advanced 1 point to 99%, Wheeling 2 points to 96, New England 7 points to 90, Detroit 2 points to 91, Cincinnati 1 point to 82, Buffalo 2½ points to 93 and Cleveland ½-point to 98%. Eastern Pennsylvania lost 1 point to 93%. Unchanged rates were: Birmingham 95%, St. Louis 83 and Youngstown 98.

With ceiling prices still in effect "Steel's" composites continue unchanged, finished steel $56.60, iron and steel $38.15 and steelworks scrap $19.16.

Steel ingot production for the week ended Oct. 13, is placed at 96% of capacity, in the compilation by Dow, Jones & Co., Inc. This compares with 98% in the two preceding weeks.

U. S. Steel is estimated at 94%, against 98% in the week before and 99% two weeks ago. Leading independents are credited with 99%, compared with 98% in the previous week and 97½% two weeks ago.

The following table gives comparisons of the percentage of production with the nearest corresponding week of previous years, together with the approximate changes, in points, from the week immediately preceding:

	Industry		U. S. Steel		Independents	
1941	96	— 2	94	— 4	99	+ 1
1940	94½	+ 1½	95½	+ ½	94	+ 1½
1939	89½	+ 1½	86½	+ 1	91	+ 1½
1938	52	+ 3	47½	+ 2½	44½	+ 3
1937	61	— 4	49	— 7	71	+ 1
1936	75	— ½	70	— ½	79	— ½
1935	53	+ ½	42	+ ½	62½	+ ½
1934	24		21½		25½	
1933	37½	— ½	35		40	
1932	20	+ ½	19½	+ ½	20½	+ ½
1931	28	— ½	31	— 1	27	— 1
1930	52½	— 2½	58	— 2	49	— 2½
1929	80	+ 1	83	+ 1	77½	+ ½
1928	86	— 1½	87		86	— 2
1927	64½	+ ½	66½	+ 1	62	

Petroleum And Its Products

Higher prices for crude oil produced in Kansas, Oklahoma and Texas, proposed by the Phillips Petroleum Co., have been deferred at the request of the Office of Price Administration pending completion of an investigation of the "basic economic and cost factors," it was disclosed by Frank Phillips, chairman of the board, on Monday. While the company has advised OPA-head Leon Henderson that it desires to "fully cooperate," it urged speedy action on the investigation.

The postponement of the 25-cent a barrel increase in crude oil prices at the request of the OPA was the second such move at the request of the Federal Government, Mr. Phillips disclosed. In mid- summer, Phillips Petroleum proposed a 25-cent per barrel increase in prices of crude oil purchased in Kansas, Oklahoma and Texas and at that time was asked to wait 90 days by the OPA. At the expiration of the 90-day period on Oct. 7, it renewed its request.

Mr. Phillips' statement to the OPA, presented through the Office of the Petroleum Coordinator, asserted that the United States is approaching a shortage of crude and petroleum products because of the decrease in discovery of new reserves. This, he continued, is "in spite of the fact that we have abundant potential supplies of petroleum which can be made available to meet our unprecedented demands if there is an adequate price."

In supporting his argument that the crude oil price structure should be bolstered by a 25-cent a barrel advance in quotations, Mr. Phillips added:

"We have now reached a stage in the petroleum industry where normally the price of crude petroleum would have advanced and exploratory work would have increased. Under present price restraints, however, we face an election of courses. Low prices may be forced on the industry for a time. This will eventually involve the necessity of abnormally high prices as a result of an actual shortage of supply. If reasonable prices are permitted now with an assurance that there will be proper price adjustments, exploratory work will be encouraged and there will be an assurance of plenty and a reasonable price.

"The price of crude oil should be increased immediately for the following reasons:

A—The declining rate of discovery must be reversed. The stimulating effect of price on exploration is the only effective and practical means of accomplishing this.

B—The cost of finding new reserves has risen three fold since 1937 and is steadily increasing.

C—The cost of finding, acquiring and producing crude oil has increased 42 cents a barrel since 1937.

D—Rising costs of labor, material and taxes are affecting the entire production situation and are threatening the small wells of settled production with premature abandonment.

"The needed increases in crude oil prices are relatively small when translated into the prices of refined products. For these reasons, the Phillips Petroleum Co. believes that an increase in the price of crude petroleum would not be contrary to the fundamental purpose of the Offices of Price Administration and the Petroleum Coordinator. This company, therefore, proposes that, with the approval of the Price Administrator and the Petroleum Coordinator, it will on Oct. 15 increase crude oil prices 25 cents a barrel on purchases of 25 million barrels annually in Kansas, Oklahoma and Texas, the territory in which it operates."

In Mr. Henderson's reply to Mr. Phillips, the OPA chief stressed the necessity of guarding against inflation, stating: "I appreciate the need of adequate and available supplies of oil for our expanding economy, but you will understand that the price policies of the petroleum industry must not only serve this end but must also accord with the national interest in the avoidance of inflation. My office, in cooperation with the Petroleum Coordinator, has already instituted an investigation of the basic economic and cost factors and will consult with you as well as with many other producers in an endeavor to reach a fair solution. You may be assured that this investigation is being prosecuted with due expedition, but the magnitude of the problem precludes even a preliminary finding by Oct. 15 and I must, therefore, request that you defer the advance proposed for that date."

The flat rejection of the offer made by the Mexican Government through the United States Department of State for settlement of the expropriation claims of American oil companies by the Standard Oil Co. (N. J.) and other companies involved threw the entire question into doubt this week. Secretary of State Hull, on Wednesday, was still studying the reply of the oil companies but indicated that when his study was completed, the Department of State might make public some of the details, both of the Mexican offer and the oil companies' reply. He stressed that he was giving "careful study" to the reply of the American oil companies, who had lost property in the $500,000,000 expropriation of British, Dutch and American oil company properties in early 1938.

Surrender of the company's Mexican subsidiary properties under the terms of the Mexican proposal would mean "the sacrifice of principles of international law on which the safety of foreign investments against confiscation depends," W. S. Farish. president of Standard Oil Co. (N. J.) said in rejecting the proposed terms. Since early 1938, when their properties were seized, the oil companies have been eager to settle the questions but to date they have not been able to get together with the Mexican Government on terms. However, one basic point has been that control of the properties be returned to the oil companies, at least until they have been paid off. All negotiations failed, however.

"The Department of State supported our proposals and encouraged private negotiations," Mr. Farish pointed out. "When these proved futile, the Department of State formally suggested impartial arbitration. The Mexican Government flatly refused to arbitrate. It asserted its willingness to pay but claimed that no payment could be made until the value of the properties had been determined and suggested the two Governments proceed with negotiations to settle other pending questions.

"The companies have not joined in appraisals and discussions of compensation because to do so would lead to depriving them of their property rights in exchange for a paper promise of future payments. The Mexican Government's announced method of evaluation is in itself confiscatory, since it eliminates subsoil rights which represent the main element of value, this in repudiation of its agreements of 1923 and 1927 with the Government of the United States. Moreover, quite apart from the confiscations of recent years, the Mexican Government long has been in default

(Continued on Page 634)

Revenue Freight Car Loadings During Week Ended Oct 4, 1941 Totaled 917,516 Cars

Loading of revenue freight for the week ended Oct. 4, totaled 917,516 cars, the Association of American Railroads announced on Oct. 9. The increase above the corresponding week in 1940 was 111,512 cars or 13.8%, and above the same week in 1939 was 87,414 cars or 10.5%.

Loading of revenue freight for the week of Oct. 4 decreased 1,994 cars or two-tenths of one per cent below the preceding week.

Miscellaneous freight loading totaled 396,927 cars, a decrease of 2,783 cars below the preceding week, but an increase of 55,759 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 161,309 cars an increase of 716 cars above the preceding week, and an increase of 1,683 cars above the corresponding week in 1940.

Coal loading amounted to 170,098 cars, a decrease of 661 cars below the preceding week, but an increase of 42,405 cars above the corresponding week in 1940.

Grain and grain products loading totaled 40,180 cars, a decrease of 300 cars below the preceding week, but an increase of 792 cars above the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of Oct. 4 totaled 26,209 cars, a decrease of 660 cars below the preceding week, but an increase of 651 cars above the corresponding week in 1940.

Live stock loading amounted to 18,891 cars, an increase of 2,378 cars above the preceding week, but a decrease of 715 cars below the corresponding week in 1940. In the Western Districts alone, loading of live stock for the week of Oct. 4 totaled 15,485 cars, an increase of 2,708 cars above the preceding week, but a decrease of 434 cars below the corresponding week in 1940.

Forest products loading totaled 46,438 cars, an increase of 150 cars above the preceding week, and an increase of 5,710 cars above the corresponding week in 1940.

Ore loading amounted to 70,114 cars, a decrease of 1,153 cars below the preceding week but an increase of 4,040 cars above the corresponding week in 1940.

Coke loading amounted to 13,559 cars, a decrease of 341 cars below the preceding week, but an increase of 1,838 cars above the corresponding week in 1940.

All districts reported increases compared with the corresponding weeks in 1940 and 1939.

	1941	1940	1939
4 Weeks of January	2,740,095	2,557,735	2,288,730
4 Weeks of February	2,824,188	2,488,879	2,282,866
5 Weeks of March	3,817,918	3,123,916	2,976,655
4 Weeks of April	2,793,563	2,495,212	2,225,188
5 Weeks of May	4,160,527	2,351,840	2,926,408
4 Weeks of June	3,510,137	2,896,953	2,563,953
4 Weeks of July	3,413,427	2,822,450	2,532,236
5 Weeks of August	4,464,458	3,717,933	3 337,672
4 Weeks of September	3,539,171	3,135,122	3,102,236
Week of Oct. 4	917,516	806,004	830,102
Total	32,181,000	27,396,044	25,116,046

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Oct. 4, 1941. During this period 101 roads showed increases when compared with the same week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED OCT. 4

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1941	1940	1939	1941	1940
Eastern District—					
Ann Arbor	634	584	652	1,550	1,358
Bangor & Aroostook	976	770	1,104	356	209
Boston & Maine	9,283	7,881	8,432	13,704	10,882
Chicago, Indianapolis & Louisville	1,710	1,587	1,777	2,522	2,578
Central Indiana	24	18	30	62	56
Central Vermont	1,496	1,402	1,361	2,607	2,182
Delaware & Hudson	7,357	4,542	5,980	11,350	8,225
Delaware, Lackawanna & Western	9,735	8,696	10,863	9,246	7,690
Detroit & Mackinac	336	522	627	171	155
Detroit, Toledo & Ironton	2,345	2,489	2,472	1,503	1,450
Detroit & Toledo Shore Line	373	305	342	3,607	3 325
Erie	16,271	14,774	14,846	16,613	14,737
Grand Trunk Western	5,262	5,291	4,667	8,945	8,761
Lehigh & Hudson River	202	207	148	2,801	2,311
Lehigh & New England	1,386	1,793	2,139	2,022	1,671
Lehigh Valley	8,996	9,274	9,931	10,032	7,406
Maine Central	3,260	2,718	3,124	2,676	2,029
Monongahela	6,476	3.669	5,421	432	278
Montour	2,141	2.102	2,235	35	40
New York Central Lines	52,019	46,598	47,143	53,954	44,367
N. Y., N. H. & Hartford	13,101	10,984	11,136	16,471	13,628
New York, Ontario & Western	1,359	1,186	1,316	2,401	1,970
N. Y., Chicago & St. Louis	7,600	6,367	7,261	14,330	12,180
N. Y., Susquehanna & Western	535	392	465	1,694	1,562
Pittsburgh & Lake Erie	9,158	7,920	7,303	8,712	7,537
Pere Marquette	6,669	6,599	6,512	6,452	6,055
Pittsburgh & Shawmut	760	680	697	42	78
Pittsburgh, Shawmut & North	409	409	448	621	231
Pittsburgh & West Virginia	1,072	714	1,223	2,573	2,040
Rutland	587	655	741	1,311	1,029
Wabash	6,262	5,951	6,403	11,079	10,376
Wheeling & Lake Erie	5,691	4,821	5,060	4,524	4,082
Total	183,485	161,900	171,859	214,398	180,478
Allegheny District—					
Akron, Canton & Youngstown	737	586	544	1,034	1,041
Baltimore & Ohio	43,533	35,991	35,873	24,701	20,732
Bessemer & Lake Erie	6,365	6,027	5,092	2,795	2,086
Buffalo Creek & Gauley	312	307	339	5	4
Cambria & Indiana	1,945	1,463	1.691	15	12
Central R.R. of New Jersey	7,599	7,109	7,680	17,229	13,389
Cornwall	686	673	610	45	47
Cumberland & Pennsylvania	290	246	274	26	45
Ligonier Valley	122	137	147	35	55
Long Island	1.003	778	531	2,842	3,181
Penn-Reading Seashore Lines	1,964	1,539	1,514	2.142	1.645
Pennsylvania System	92.213	74.850	73,112	59,849	47.314
Reading Co.	18.032	15 632	15,648	24.212	20.333
Union (Pittsburgh)	20,239	18,857	16,455	6,960	5.886
Western Maryland	4,585	3,316	4,327	10,221	7,760
Total	59,649	48,195	56,512	22,403	19,818
Pocahontas District—					
Chesapeake & Ohio	29,975	22.933	28,496	14,154	11.856
Norfolk & Western	25.180	21.341	23,582	6.361	6,245
Virginian	4,494	3,921	4,434	1,898	1,717
Total	59.649	48.195	56,512	22.403	19,818
Southern District—					
Alabama, Tennessee & Northern	369	258	351	248	175
Atl. & W. P.—W. R.R. of Ala.	961	938	924	2,293	1,813
Atlanta, Birmingham & Coast	880	760	684	1,147	775
Atlantic Coast Line	10.805	9,932	8,772	7,463	6,029
Central of Georgia	4,880	4,454	4,317	4,386	3,782
Charleston & Western Carolina	455	473	477	1,600	1,191
Clinchfield	1,859	1,346	1,428	2,921	2,148
Columbus & Greenville	464	398	493	362	348
Durham & Southern	226	198	161	512	461
Florida East Coast	450	454	489	979	932
Gainsville Midland	42	31	44	102	125
Georgia	1,536	1,266	1,145	2,378	1,752
Georgia & Florida	497	308	385	632	439
Gulf, Mobile & Ohio	4,506	3,498	3,806	3,524	3,728
Illinois Central System	28.751	25,591	27,835	15,621	13,656
Louisville & Nashville	27,516	22,103	26,053	9,070	6,545
Macon, Dublin & Savannah	206	133	168	696	515
Mississippi Central	193	164	200	370	385
Nashville, Chattanooga & St. L.	3,742	3,281	3,066	3,707	2,861
Norfolk Southern	1,538	1,226	1,083	1,584	1,366
Piedmont Northern	584	443	456	1,625	1,478
Richmond Fred. & Potomac	412	388	346	5,959	3,731
Seaboard Air Line	10,621	9,569	9,076	7,429	5,740
Southern System	26,358	23,772	23,870	21,282	17,530
Tennessee Central	480	488	444	764	787
Winston-Salem Southbound	193	180	192	1,087	1,066
Total	128,524	111,652	116.265	97,741	79,358
Northwestern District—					
Chicago & North Western	22,533	22,651	23,320	14,788	12 691
Chicago Great Western	2,966	3,014	2,917	3,792	3,442
Chicago, Milw., St. P. & Pac.	24,390	22,639	23,815	9,837	9,251
Chicago, St. P., Minn. & Omaha	4,653	4,182	4,908	4,939	4.308
Duluth, Missabe & Iron Range	23,736	20,440	15,303	267	352
Duluth, South Shore & Atlantic	1,164	934	1,090	658	551
Elgin, Joliet & Eastern	10,791	9,193	8,615	10,175	7,360
Ft. Dodge, Des Moines & South	628	662	550	137	193
Great Northern	26.831	25,786	26,836	4,448	3,757
Green Bay & Western	643	547	847	818	684
Lake Superior & Ishpeming	1,996	2,859	3,458	86	82
Minneapolis & St. Louis *	2,066	2,601	2,171	2.364	2,432
Minn., St. Paul & S. S. M.	7,976	7,764	8,478	3,268	3,009
Northern Pacific	13,650	12,494	13,229	5,145	3,986
Spokane International	172	265	299	393	260
Spokane, Portland & Seattle	2,772	1,964	1,547	2,741	1,905
Total	146,969	137,995	137,383	63,856	54,263
Central Western District—					
Atch. Top. & Santa Fe System	22,526	22,230	23,596	9,595	7,272
Alton	3,318	3,134	3,447	3,070	2,452
Bingham & Garfield	628	537	353	120	91
Chicago, Burlington & Quincy	19,273	17,071	18,816	11,741	10,433
Chicago & Illinois Midland	2,673	2,353	2,222	1,099	808
Chicago, Rock Island & Pacific	13.330	13.520	13,484	11,685	10,216
Chicago & Eastern Illinois	3,032	2,754	3,128	3,280	2,897
Colorado & Southern	863	746	948	1,877	1,632
Denver & Rio Grande Western	4,288	4,030	4,732	5,214	4,345
Denver & Salt Lake	1,148	689	1,110	35	39
Fort Worth & Denver City	918	1,168	1,204	1,208	1,227
Illinois Terminal	1,936	1,784	2,075	2,225	1,848
Missouri-Illinois	1,156	928	1,233	518	493
Nevada Northern	2,032	1,570	1,215	118	93
North Western Pacific	1,342	876	1,006	563	494
Peoria & Pekin Union	10	7	28	0	0
Southern Pacific (Pacific)	33,678	28,323	26,527	8,024	5,437
Toledo, Peoria & Western	373	387	422	1,790	1,456
Union Pacific System	18,927	16,091	17,740	14,507	11,193
Utah	599	524	613	11	3
Western Pacific	2,198	1,960	1,832	4,095	3,409
Total	134,275	120,682	125,731	80,775	65,838
Southwestern District—					
Burlington-Rock Island	185	170	235	218	283
Gulf Coast Lines	3,651	2,722	2.371	2,219	1.623
International-Great Northern	2,717	1,963	2,005	2,404	2,253
Kansas, Oklahoma & Gulf	257	257	350	926	979
Kansas City Southern	3,117	2,133	1,998	3,152	2,149
Louisiana & Arkansas	2,759	2.042	2,364	2,296	1,651
Litchfield & Madison	367	370	409	1,305	1,008
Midland Valley	882	670	815	278	239
Missouri & Arkansas	219	224	269	382	386
Missouri-Kansas-Texas Lines	5,281	5,177	4.967	4,336	3.303
Missouri Pacific	19,196	17,075	17,880	13,583	10,745
Quanah Acme & Pacific	104	121	107	172	114
St. Louis-San Francisco	9,814	9,345	9,135	6,289	5,166
St. Louis Southwestern	3,374	3,298	3,297	3,811	2,598
Texas & New Orleans	8,230	7,831	7.230	4,517	3,505
Texas & Pacific	4,667	4,494	4,853	5,318	3,654
Wichita Falls & Southern	159	161	220	70	57
Weatherford M. W. & N. W.	10	16	10	42	21
Total	64,989	58,069	58,515	51,318	39,734

Note—Previous year's figures revised. * Previous figures.

The State Of Trade

Business activity continues to rule close to peak levels in a number of quarters. The steel industry is enjoying some expansion in the volume of incoming business, Iron Age said today, with orders currently running midway between the September low and the August high for the movement. Regarding output, the trade journal sees ingot production being reduced shortly by threats of strikes in several areas and the necessary shutdown of open hearth furnaces because of lack of scrap.

There is much in the business picture that is having anything but a wholesome effect and will serve to kill incentive in many non-defense areas. Taxes and the priority situation appear to be the foremost considerations. Labor is certainly contributing its share in a big way to the general unsettlement.

The military situation abroad at the present time looks ominous, but of far greater concern than the course of military events abroad are the major decisions as to domestic policy that will be made over the next few months. One of the most important of these decisions is that of new taxes.

Secretary Morgenthau has promised that the 1942 revenue bill which Congress will act upon early next year, will be an "all-out" measure. This proposed new law would accomplish the two-fold objective of raising more revenue and absorbing purchasing power where it presents the greatest threat of inflation. It seems more probable that corporations and persons in the middle income brackets will again be called upon to provide a large part of the added Government revenue required.

Considerable concern is felt in more conservative official quarters over a possible loss of interest on the part of managements in opposing wage increases, owing to the rapidly mounting level of corporate taxation.

Where the great bulk of earnings above a specified level is absorbed by taxes, managements may feel that they have nothing to gain from resisting higher wage demands. This would be so, particularly, if excess profits tax rates should approach 100% of earnings above a given level, as proposed by Secretary Morgenthau. Then higher wages would be paid solely at the expense of the Treasury rather than the stockholders. Such indifference to paying higher wages has already manifested itself in Great Britain and Canada. If it should develop in this country, it may force the Administration to change its attitude towards a statutory wage ceiling.

It is believed that both employment and unemployment totals may increase between now and the end of the year, due to the expansion of the working force in defense industry and the loss of jobs in civilian industry.

The total working population will be increased by the entry into industry, especially defense jobs, of persons on relief, retired persons and women. This will be especially true of defense areas where the need for additional employees is urgent.

At the same time, the automobile, silk and many other civilian industries will be releasing employees. Months may elapse before many of these people can be absorbed in defense industries. In some areas where alternative defense jobs are not numerous, they may remain unemployed throughout the emergency.

The more rapid progress made by the German armies in Russia and the failure of the British thus far to launch an offensive of their own in North Africa or the Middle East have darkened the Allies' military outlook once again. Further successes in Russia may make possible new German offensive against Gibraltar or Suez within the next few months, before more American material aid will assume major proportions, as Prime Minister Churchill has stated.

Authorities state that the rate of defense production will be speeded up considerably if the Russian position continues to deteriorate in the titanic struggle now under way.

It is pointed out that the swiftness with which transition to an all-out American effort can be effected has been dependent in large measure on public psychology, which has been reflected in turn by war developments. Should Russia be eliminated as a war factor, Britain would be immediately menaced once again by an overwhelmingly superior land power with enlarged material resources, leaving all-out aid from the United States her only hope of survival. The necessity for heavier and speedier defense preparations would thus be brought home to this nation. A stiffening of the Administration's attitude toward obstructive labor tactics and the price control problem is also probable.

NY Cotton Exch. Member

At a meeting of the Board of Managers of the New York Cotton Exchange on Oct. 2, Max Luther of Huntsville, Ala., was elected to membership. Mr. Luther is a cotton merchant.

Weekly Coal and Coke Production Statistics

The current coal report of the Bituminous Coal Division, U. S. Department of the Interior showed that the total production of soft coal in the week ended Oct. 4 is estimated at 11,100,000 net tons. Compared with the preceding week, this shows an increase of 150,000 tons, or 1.4%. Production in the corresponding week of 1940, declining sharply, amounted to but 8,761,000 tons.

Cumulative production of soft coal in 1941 to date now stands 9.3% above that in 1940; anthracite production in 1941 to date is 7.6% above that in 1940.

The U. S. Bureau of Mines in its report stated that the production of Pennsylvania anthracite for the week ended Oct. 4 was estimated at 1,049,000 tons, a decrease of 102,000 tons from the preceding week. Output in the corresponding week of 1940 amounted to 735,000 tons.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL, IN THOUSANDS OF NET TONS, WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			Calendar Year to Date—c		
	Oct. 4, 1941	Sept. 27, 1941	Oct. 5, 1940	1941d	1940	1929
Bituminous coal—a						
Total, including mine fuel	11,100	10,950	8,761	371,562	339,959	400,262
Daily average	1,850	1,825	1,460	1,596	1,443	1,691
Crude petroleum—b						
Coal equivalent of weekly output	6,184	6,503	5 588	239,923	236,896	176,709

(a) Includes for purposes of historical comparison and statistical convenience the production of lignite. (b) Total barrels produced during the week converted to equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook 1939, page 702.) (c) Sum of 40 weeks ended Oct. 4, 1941, and corresponding 40 weeks in 1940 and 1929. (d) Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (IN NET TONS)

	Week Ended			Calendar Year to Date		
	Oct. 4, 1941	Sept. 27, 1941	Oct. 5, 1940	1941	1940 a	1929 a
Penn Anthracite—						
Total, incl. colliery fuel b	1,049,000	1,151,000	735,000	41,671,000	38,352,000	53,851,000
Comm'l prod'n c	997,000	1,093,000	898,000	39,593,000	36 434,000	49,974,000
Beehive Coke—						
U. S. total	129,700	135,800	76,800	4,643,700	1,812,900	5,230,800
Daily average	21,617	22,633	12,800	19,595	7,649	22,071

(a) Adjusted to comparable periods in the three years. (b) Includes washery and dredge coal, and coal shipped by truck from authorized operations. (c) Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Sept. average
State:	Sept. 27, 1941	Sept. 20, 1941	Sept. 28, 1940	Sept. 30, 1939	Sept. 28, 1929	1923 e
Alaska	3	3	2	4	(f)	(f)
Alabama	357	222	310	280	377	406
Arkansas and Oklahoma	87	106	103	97	143	96
Colorado	170	161	150	140	242	214
Georgia and North Carolina	1	1	*	1	(f)	(f)
Illinois	944	998	1,108	1,091	1,285	1,587
Indiana	479	482	435	353	387	550
Iowa	50	40	77	76	95	117
Kansas and Missouri	150	158	160	166	157	168
Kentucky—Eastern	970	878	888	961	1,042	713
Western	207	210	214	206	308	248
Maryland	36	42	27	34	55	40
Michigan	7	5	9	8	18	27
Montana	82	76	56	83	88	68
New Mexico	19	24	21	25	50	56
North and South Dakota	54	37	42	80	f83	f27
Ohio	708	646	491	492	540	861
Pennsylvania bituminous	2,676	2,204	2,494	2,434	2,989	3,585
Tennessee	146	139	116	124	107	119
Texas	9	8	12	17	22	26
Utah	104	96	106	96	122	103
Virginia	394	385	352	364	274	245
Washington	44	40	38	55	60	58
West Virginia—Southern a	2,250	2,023	2,163	2,191	2,269	1,474
Northern b	847	792	694	678	777	857
Wyoming	156	152	133	154	167	165
Other Western States c	*	2	*	*	f5	f4
Total bituminous coal	10,950	9,930	10,201	10,210	11,662	11,814
Pennsylvania anthracite d	1,151	1,141	952	1,271	1,980	714
Total, all coal	12,101	11,071	11,153	11,481	13,642	12,528

a Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. b Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. c Includes Arizona, California, Idaho, Nevada, and Oregon. d Data for Pennsylvania anthracite from published records of the Bureau of Mines. e Average weekly rate for entire month. f Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." * Less than 1,000 tons.

Non-Ferrous Metals—OPA Raises Price of Prime Western Zinc to 8¼c.—Copper Stocks Off

"Metal and Mineral Markets" in its issue of Oct. 16 reported that the expected price increase for domestic zinc to expand output from marginal producers was announced late on Oct. 9 by Leon Henderson, of the Office of Price Administration, resulting in a new basis for Prime Western at 8¼c. St. Louis, and 9¼c. for High Grade. Recent meetings of the lead advisory committee in Washington have strengthened the belief that a higher price for lead will be announced soon. Statistics for September show another decline in refined copper stocks to 63,670 tons. Quicksilver was quiet and unchanged. The publication further reported:

Copper

Sales of copper in the domestic market during the last week totaled 52,805 tons, against 28,929 tons in the previous week. The price continued at 12c., Valley.

Little business was done in the export market, with the quotation unchanged at 11½c., f.a.s. New York.

Deliveries of copper during September totaled 120,429 tons, an increase over the figure of 117,486 tons (corrected) delivered in the previous month, according to the Copper Institute.

Production of crude and refined declined during the month. Output of blister amounted to 82,071 tons in September, against 84,695 tons in August. Production of refined copper totaled 80,961 tons, compared to 85,426 tons in the previous month.

Stocks of refined copper (duty-free metal) amounted to 63,670 tons at the end of September, a reduction of 8,260 tons for the month, which is the lowest reserve of domestic metal in the hands of producers recorded for this movement.

The Institute's figures for August and September, in tons, follow:

	Aug.	Sept.
Production:		
Crude	a84,695	82,071
Refined	85,426	80,961
Deliveries, refined:		
Domestic customers b	a117,486	120,429
Export	------	------
Totals	117.486	120,429
Stocks at end, refined	a71,930	63,670

a Revised. b Includes duty-paid foreign copper.

In a New York speech, on Oct. 14, Donald M. Nelson, executive director SPAB, announced special priority assistance under Preference Order P-58 granting A-3 rating to four major South American copper-mining companies in obtaining equipment and supplies to speed production. He also revealed that copper available for October allocation totals 139,000 tons, and that demands with "A" rating total 145,000 tons.

Lead

The lead market continues in a tight position and the matter of a higher price to permit increased production and cover higher costs is expected to be settled by Washington officials in the near future.

Sales for the week totaled 4,083 tons, against 6,283 tons in the previous seven-day period. The price remained at 5.85c. New York, which was also the contract settling basis of the American Smelting & Refining Company, and 5.70c. St. Louis.

Zinc

Moving to increase domestic output of zinc, Leon Henderson, administrator of OPA, announced late on Thursday, Oct. 9, that a maximum price of 8¼c. for Prime Western, St. Louis, and 9¼c. for High Grade, could go "into effect at once so far as the Office of Price Administration was concerned." Most of the business transacted on that day was done on the stabilized 7¼c. basis, which represents our quotation for that day, but the new price of 8¼c., St. Louis, was firmly established on the following day, Oct. 10.

Sales of the common grades for the week ended Oct. 11 totaled 3,839 tons, against 4,777 tons in the previous week. Shipments totaled 5,066 tons, and unfilled orders were 57,860 tons.

Tin

The tin market was quiet during the holiday week, with prices unchanged for Straits tin spot and forward delivery at 52.00c.

Deliveries of tin to the United States during the first eight months of 1941 totaled 106,572 tons.

Straits tin for future arrival was as follows:

	Oct.	Nov.	Dec.	Jan.
Oct. 9	52.000	52.000	52.000	52.000
Oct. 10	52.000	52.000	52.000	52.000
Oct. 11	52.000	52.000	52.000	52.000
Oct. 13		—HOLIDAY—		
Oct. 14	52.000	52.000	52.000	52.000
Oct. 15	52.000	52.000	52.000	52.000

Chinese tin, 99%, spot was nominally as follows: Oct. 9th, 51.125c.; 10th, 51.125c.; 11th, 51.125c.; 13th, holiday; 14th, 51.125c.; 15th, 51.125c.

Quicksilver

The quicksilver market was essentially unchanged from the previous week, with quotations ranging from $193 to $195 and most sellers asking $195 and upward for spot on small-lot business. On forward metal involving quantity business prices are wholly nominal.

Miners on the Pacific Coast are offering little forward metal as operations approach the winter season with its attendant uncertainties.

Statistics by the Bureau of Mines show that quicksilver production in August totaled 4,100 flasks, a new monthly high since the period 1875-1883—against 3,400 flasks in July. Consumption, likewise, showed an increase, from the revised total of 3,300 in July to 3,600 flasks in August.

Stocks in consumers' and dealers' hands at the end of August were reported as 11,600 flasks, against the revised figure of 11,700 flasks at the end of July.

Silver

During the past week the silver market in London was quiet and steady, with the price unchanged at 23½d. The New York Official and the U. S. Government prices were also unchanged, at 34¾c. and 35c., respectively.

DAILY PRICES OF METALS ("E. & M. J." QUOTATIONS)

	—Electrolytic Copper—		Straits Tin,	—Lead—		Zinc
Oct.	Dom., Refy.	Exp. Refy.	New York	New York	St. Louis	St. Louis
9	11.775	11.450	52.000	5.85	5.70	7.25
10	11.775	11.450	52.000	5.85	5.70	8.25
11	11.775	11.450	52.000	5.85	5.70	8.25
13	Holiday	11.450	Holiday	Holiday	Holiday	Holiday
14	11.775	11.450	52.000	5.85	5.70	8.25
15	11.775	11.450	52.000	5.85	5.70	8.25
Average	11.775	11.450	52.000	5.85	5.70	8.05

Average prices for calendar week ended Oct. 11 are: Domestic copper f.o.b. refinery, 11.775c; export copper, f.o.b. refinery 11.450c; Straits tin, 52.000c; New York lead, 5.850c.; St. Louis lead, 5.700c.; St. Louis zinc, 7.583c.; and silver, 34.750c.

The above quotations are "M. & M. M's" appraisal of the major United States markets, based on sales reported by producers and agencies. They are reduced to the basis of cash, New York or St. Louis, as noted. All prices are in cents per pound.

Copper, lead and zinc quotations are based on sales for both prompt and future deliveries; tin quotations are for prompt delivery only.

In the trade, domestic copper prices are quoted on a delivered basis; that is, delivered at consumers' plants. As delivery charges vary with the destination, the figures shown above are net prices at refineries on the Atantic seaboard. Delivered prices in New England average 0.225c. per pound above the refinery basis.

Export quotations for copper are reduced to net at refineries on the Atlantic seaboard. On foreign business, owing to the European War, most sellers are restricting offerings to f.a.s. transactions, dollar basis. Quotations for the present reflect this change in method of doing business. A total of 0.05c. is deducted from f.a.s. basis (lighterage, etc.) to arrive at the f.o.b. refinery quotation.

Due to the European war the usual table of daily London prices is not available. Prices on standard tin, the only prices given, however, are as follows: Oct. 9, spot, £256 three months, £259¾; Oct. 10, spot, £256, three months, £260; Oct. 13, spot, £256, three months, £259½; Oct. 14, spot £256⅛, three months, £259½; and Oct. 15, spot, £256, three months, £259½.

Foreign Front

(Continued from Page 613)

the drive in the southern Ukraine, and Kharkov probably will be next on the Nazi list, if the Russian defense fails to stiffen.

Altogether the Russian situation must now be regarded as precarious, for at least 60% of the industrial establishment either is already in German hands or threatened by the latest Nazi advances. If the Germans take Moscow and capture all of the Ukraine to the Don, the way may be open for a fresh German move toward the Caucasus. Japan, in that case, might begin to battle toward the Russian Maritime Provinces of Siberia. These are prospects that must be taken into account in the supply of Russia from Britain and the United States, notwithstanding a press conference assertion by President Roosevelt, Tuesday, that he does not doubt the ultimate success of the program for assisting Russia. Prime Minister Winston Churchill, in refusing demands of Members of Parliament for a debate on aid to Russia, quietly admitted on Tuesday that the Members have no monopoly of anxiety regarding the course of the Russian war.

Of keen interest, in these circumstances, are Scandinavian reports of Monday, to the effect that sizable British contingents recently were landed at the Russian White Sea port of Archangel. There is neither confirmation nor denial of such reports in London, but expert observers are not inclined to the belief that a real British Expeditionary Force is indicated. Some thousands of British effectives may have reached Archangel, it is thought, in order to prepare that port for vast future activities. But the coming wintry weather would make that city an uncertain entry port for large forces and the supplies they would need in the next six months. The course of the conflict would seem to be too uncertain, moreover, to justify the risking of really important forces at Archangel.

Aid to Russia

Russian exigencies are such that both Britain and the United States are hastening the flow of war materials in aid of the defenders of Moscow, and statements are being issued in London and Washington which obviously are designed to heighten Russian morale. The nature of such statements is the only definite indication of the state of Russian morale, and the negative aspect is far from encouraging. Although the actual flow of munitions to Russia cannot possibly be adequate, as yet, every effort is being made to give it military significance.

The British and American missions to Moscow which were headed by Lord Beaverbrook and W. Averell Harriman, respectively, returned to England early this week. Lord Beaverbrook announced last Sunday that all the assistance asked by the Russians had been promised to them, and that Britain would forego food supplies if necessary, in order that shipping might be available for the tremendous task of transportation. President Roosevelt issued a brief statement, Monday, to the effect that a constant stream of supplies is flowing to Russia from American ports, and that all munitions promised to the Kremlin at the recent Moscow conference during October actually will be shipped in the course of this month. The Beaverbrook and Roosevelt statements were parallel and obviously motivated by the same considerations.

Notwithstanding such British and American statements, simple realism requires recognition of the fact that the supply of Russia presents one of the most baffling problems of the war. Only long-range airplanes can be delivered to Russia with any ease or assurance. The means of ingress to Russia are few and unreliable, for the White Sea port of Archangel is likely soon to be icebound, while Vladivostok is distant and subject to Japanese intentions. The only effective and assured supply route is through Iran, and the single-track rail line up from the Persian Gulf obviously requires a vast expansion to be adequate for the purpose of supplying Russia.

Whatever entry port may be available or suitable, it still remains a question where the shipping is to be taken from for such supply. There is no shipping space to spare at present, and no likelihood of any excess in the next six months to a year, and perhaps not then. President Roosevelt declared in a press conference on Tuesday that he entertains no doubt about the ultimate success of the program of aiding Russia, but time is pressing and it may be questioned whether supply of a Russian regime behind the

(Continued on Page 635)

SEC Reports 21 Security Issues Totaling $108,230,000 Were Registered in August

The Securities and Exchange Commission announced on Sept. 26 that fourteen registration statements, covering 21 issues of securities for an aggregate amount of $108,230,000, became effective under the Securities Act of 1933 during August, according to an analysis prepared by the Research and Statistics Subdivision of the Trading and Exchange Division, which states that most of the securities were registered for the account of issuers and intended for sale and that these aggregated $91,086,000. Of the remainder, securities registered for the account of "others" totalled $10,748,000, while $4,390,000 of securities were to be offered in exchange for other securities and $2,007,000 of securities were reserved for conversion and options. The Commission supplies the following data:

> Fixed interest bearing securities amounted to 93.6% of the securities of all types registered for the account of issuers and intended for sale, while equity securities accounted for only 6.4%.
>
> Manufacturing enterprises accounted for $46,460,000, or 51.0% of the securities proposed for sale by issuers. Electric, gas and water utilities were next in importance, with $34,326,000, or 37.7%, while financial and investment companies accounted for the remaining $10,300,000, or 11.3%.
>
> Securities to be underwritten aggregated $80,333,000, or 88.2% of all securities registered for the account of issuers and intended for sale. Issuers planned to distribute $9,925,000 of securities, while $827,000, or 0.9%, were to be offered through agents.
>
> Compensation to underwriters and agents was estimated to be $1,595,000, or 1.8% of the total gross proceeds. Other expenses amounted to $493,000, or 0.5%. Compensation varied, however, with the method of distribution. The compensation on the securities issued through underwriters was to be 1.7%, compared with 1.4% on those marketed directly by the issuers, and 15.0% on those offered through agents.
>
> Retirement of bonds and notes was the principal use to which the $88,998,000 of net proceeds after expenses of distribution was to be applied. This purpose was expected to absorb about $58,520,000, or 65.8% of the net proceeds. Additions to working capital were next in importance, with 19.6% of net proceeds. Purchase of securities for investment followed, with 10.8%, while the 3.3% remaining was practically all accounted for by retirement of preferred stock, 2.1%, and additions to plant and equipment, 1.7%.

EFFECTIVE REGISTRATIONS UNDER THE SECURITIES ACT OF 1933

By Types of Securities

August, 1941

	Total Securities Effectively Registered		Total, Less Securities Reserved for Conversion or Substitution			Securities Proposed for Sale by Issuers		
Type of Security	No. of Issues	Amount $	Amount $	Percent Aug. 1941	Percent Aug. 1940	Amount $	Percent Aug. 1941	Percent Aug. 1940
Secured bonds	2	34,325,625	34,325,625	31.8	5.7	34,325,625	37.7	9.0
Unsecured bonds	4	46,087,500	46,087,500	42.7	21.3	46,087,500	50.6	33.2
Face amt. certificates	3	4,800,400	4,800,400	4.4	---	4,800,400	5.3	---
Preferred stock	3	4,434,000	4,434,000	4.1	14.1	4,020,000	4.4	14.3
Common stock	7	18,219,322	18,027,134	16.7	49.6	1,850,000	2.0	28.8
Certificates of participation, benef. interest, etc.	0	------	------	---	9.3	------	---	14.7
Warrants or rights	2	363,063	363,063	0.3	---	2,000	0.0	---
Substitute securs. (V.T. Ctfs. & Ctfs. of Dep.)	0	------	------	---	---	------	---	---
Grand Total	21	108,229,910	108,037,722	100.0	100.0	91,085,525	100.0	100.0

NYSE Must Amend Multiple Trading Rule To Let Members Act as Odd-Lot Dealers

The Securities and Exchange Commission on Oct. 6 called upon the New York Stock Exchange to amend its rule against multiple trading so as to permit members to act as odd-lot dealers and specialists in dually traded securities upon any regional exchange of which he is a member. The SEC action, said to be the first of its kind, came after more than a year's controversy with the Exchange on the question. Under the Securities Exchange Act of 1934, the SEC is authorized to make changes in a stock exchange's rules if found necessary for the protection of investors and to insure fair administration of the exchange. The Commission invoked these powers on Dec. 20, last, when it formally requested the Exchange to rescind its multiple trading rule. The Exchange on Dec. 27, following a meeting of its Board of Governors, advised the SEC that the Exchange "feels that it cannot accede to this request," and indicated that it was its understanding that a public hearing would be held to permit the Exchange to present its views; the Commission held hearings in January, 1941, on the multiple trading problem (noted in these columns of Feb. 1, page 757), during which time New York Exchange officials and representatives of various region exchanges testified.

The New York Stock Exchange rule had been originally scheduled to become effective Sept. 1, 1940, but the Exchange postponed the effective date of the rule until the SEC made a complete study of the issues involved. Under date of Oct. 6, special advices from Washington to the New York "Times" had the following to say regarding this week's action of the SEC.

> The commission's order, which becomes effective immediately, requires the Stock Exchange to amend its rule against multiple trading by inserting the words "provided, however, that nothing herein contained shall be construed to prohibit any member, allied member or member firm from, or to penalize any such firm for, acting as an odd-lot dealer or specialist or otherwise publicly dealing for his or its own account (directly or indirectly through a joint account or other arrangement) on another Exchange, located outside the City of New York (of which such member, allied member or member firm is a member), in securities listed or traded on such other Exchange."

Manufacturers New Orders Decline

New orders received by manufacturers in August failed to rise in the usual seasonal proportions, causing a decline in the seasonally adjusted index regularly compiled by the Division of Industrial Economics of The Conference Board. A moderate advance in inventories continued the upward trend begun in October, 1939. Shipments by manufacturers of both durable and non-durable goods rose, carrying the composite index to a new high. New orders remained enough above shipments to cause a slight rise in backlogs of unfilled orders. The Conference Board, under date of Sept. 29, further reported:

New Orders

The adjusted index of new orders declined 5% in August to 250 from 262 in July. Declines were general with the exception of the office equipment and paper industries which showed slight gains. Many industries normally receiving large increases in orders for the month are now operating at capacity levels and are unable to accept orders in greater volume.

Shipments

A 2% rise in both durable and non-durable goods shipments advanced the composite index four points to 206 on a seasonally adjusted basis (1935-1939 equals 100). This new high for the series is 51% above August, 1940. Shipments of durable goods stood at 234, and were 59% above last August, while non-durable goods shipments at 174 were 39% above a year ago.

Largest increases for the month occurred in the machinery, office equipment and textile industries, with smaller gains reported in shipments of iron and steel and paper. Seasonally adjusted shipments were lower in the boot and shoe, building equipment, clothing, electrical equipment and house-furnishings industries.

Unfilled Orders

Manufacturers' unfilled orders rose 2% from 530 in July to a new record of 539 in August, largely as a result of higher backlogs in the non-durable goods industries. Unfilled orders for durable goods showed little change from the preceding month.

Inventories

Small advances in inventories were general for the month of August, carrying the three indexes—total inventories, durable goods, and non-durable goods—to new highs. The only declines for the month, on a seasonally adjusted basis, were in the clothing and iron and steel industries. The unbroken rise in the composite index of inventories from 101.5 in September, 1939, to 147.6 in August, 1941, represents an increase of 45%.

The following table gives The Conference Board's indexes of the value of manufacturers' inventories, shipments, new orders and unfilled orders for August, for the preceding month and for the corresponding month of 1940, together with percentage changes. These indexes, all based on the 1935-1939 monthly average as 100, are adjusted for seasonal change.

INDEXES OF INVENTORIES, SHIPMENTS AND ORDERS

August, 1941

1935—1939 = 100

	August 1941	July, 1941 (Revised)	August 1940	Percentage Change From July, 1941 to Aug., 1941	Percentage Change From August, 1940 to August, 1941
Inventories	147.6	145.1	120.7	+1.7	+22.3
Durable Goods	162.3	159.4	125.2	+1.8	+29.6
Nondurable Goods	127.8	126.2	115.9	+1.3	+10.3
Shipments	206	202	136	+2	+51
Durable Goods	234	230	147	+2	+59
Nondurable Goods	174	171	125	+2	+39
New Orders	250	262	159	—5	+57
Unfilled Orders	539	530	169	+2	+219

Truck Freight Volume 28% Over 1940

Due chiefly to a sharp seasonal drop in the movement of new automobiles, the volume of revenue freight transported by motor truck showed a slight decrease of 0.4% in August as compared with July, but held 28.1% over August, 1940, according to reports compiled and released on Sept. 29 by the American Trucking Associations.

Comparable reports were received by ATA from 218 motor carriers in thirty-nine states. The reporting carriers transported an aggregate of 1,720,262 tons in August, as against 1,727,708 tons in July, and 1,342,709 tons in August, 1940.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 157.70 for August.

A little more than 80% of all the tonnage transported in the month was reported by carriers of general freight. The volume in this category increased 2% over July, and 29.2% over August of the previous year.

Transporters of petroleum products, accounting for almost 10% of the total tonnage reported, showed a decrease of 3.2% under July, but held 17.5% over August 1940.

Movement of new automobiles and trucks constituted only 1% of the total tonnage reported. Tonnage in this class dropped 52.8% under July, primarily because of factory shut-downs to change models, but the August volume was 116.7% over August, 1940, when production of new cars virtually ceased.

Haulers of iron and steel products reported almost 4% of the total tonnage. The volume of these commodities increased 5.6% over July, and 34.2% over August of last year.

Almost 4% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, building materials, cement and household goods. Tonnage in this class decreased 1% under July, but held 9.9% over August, 1940.

1941 Wheat Loans

The Department of Agriculture reported on Sept. 27 that through Sept. 20, 1941, Commodity Credit Corporation made loans on 206,398,926 bushels of 1941 wheat in the amount of $207,775.924. A total of 339,946 loans were made in 32 States at an average rate per bushel of $1.01, which includes transportation charges from the area of production to warehouse locations. The Department states:

> The wheat in storage under loan includes 28,195,456 bushels stored on farms and 178,203,470 bushels stored in public warehouses.
>
> The number of loans actually made probably exceeds substantially those reported at this time, officials explained, since only those transactions which have completely cleared CCC records are announced.

Copper Scrap Placed Under Full Priority

Full priority control over copper scrap was imposed on Sept. 30 under an order issued by Donald M. Nelson, Director of Priorities of the Office of Production Management. Mr. Nelson, in explaining this action, said that copper ranks "next to aluminum as the most difficult of the critical metals to obtain in sufficient quantities for defense needs and civilian uses." The order, designed to prevent hoarding, prohibits a dealer from accepting scrap unless he has turned over his inventory within the preceding 60 days and has filed required reports with the Office of Production Management.

Copper has been under rigid allocation since Aug. 6, referred to in our issue of Aug. 9, page 774.

Other actions taken by the OPM Priorities Division on Sept. 30 included the following, according to Associated Press accounts from Washington:

> 1. A new blanket priorities order covering nearly 500 makers of machine tools for defense use was issued because machine tools are needed in much greater quantities than are now forthcoming. It replaces an order expiring tomorrow.
> 2. Priorities control over nickel was extended another six months, to March 31, 1942, because of an anticipated shortage of 40,000,000 pounds—perhaps as high as 70,000,000 pounds.
> 3. Rationing of cork to manufacturers was extended to March 31, 1942, because of continued shortages of shipping. Full priority control over the wholly imported material was imposed earlier this year.

Priority Control On Tungsten, 8 Chemicals

All forms of tungsten were placed under full prioity control on Aug. 30 under an order issued by the Priorities Division of the Office of Production Management. The metal, which is essential to the manufacture of high-speed cutting tools, had been under control since March but the latest action considerably broadens the previous order (mentioned in our issue of April 5, page 2171). Regarding it United Press advices said:

> It requiries producers of tungsten in all forms to accept defense orders, and extends government control to tungsten ores and concentrates which previously were exempt.
>
> Rationing applies to the distribution of ferro-tungsten, tungsten metal powder and tungsten metals going into metal powder. Processors of tungsten in chemical form, aside from those going into chemical powder, are limited in their purchases to 90% of amounts processed or purchased in the year ending June 20.

Federal Price Administrator Henderson said on Aug. 29 that major producers of cadmium had indicated willingness to sell to direct buyers at prices not above 90 cents per pound for sticks and 95 cents per pound for anodes and to allow dealers a discount which would permit resales to consumers at the same price level. He requested consumers not to pay any higher price.

The OPM Priorities Division on Aug. 29 added five major chemicals — ethyl alcohol, methyl alcohol, potassium permanganate, potassium perchlorate, and toluene—to the list of those placed under full priority control. On Sept. 2 three other chemicals were placed under mandatory priority control in accordance with defense needs. They are: tricresyl and triphenyl phosphates; phenols and phosphorus oxychloride.

Asserts Inflation Can And Will be Prevented

Runaway inflation can and will be prevented if the government courageously applies the brakes within its control and receives the cooperation of all groups and classes of people, according to M. A. Linton, President of the Provident Mutual Life Insurance Co., in an address before the Life Insurance Advertisers Association in Boston on Oct. 1. At the same time, Mr. Linton asserted that it would be prudent to be prepared for a period of high prices somewhat similar to the one which occurred between 1915 and 1920, when the price level doubled. He further stated:

> The battle against inflation may very well be one of the major tests as to whether democracy can function. In this battle, selfishness on the part of groups in our population, be they farmers, workers, or those engaged in commerce, industry or finance, can cause a great deal of trouble. If each politically powerful group uses its power without regard for the general welfare, the economic dislocations may be so severe that dictatorship will of necessity be invoked in an attempt to bring order out of the chaos.
>
> We may proclaim inflexible determination to preserve democracy by fighting external enemies, only to find that the internal enemies of selfishness, greed and lack of moral fibre have won the battle.

While control of bank credit, regulation of prices and restriction of installment buying are essential methods for preventing inflation, the purchase of life insurance removes purchasing power from commodity markets and thus aids in preventing rising prices, Mr. Linton stated. The application of income to life insurance drains off excess purchasing power much in the same manner as does the purchase of government bonds by individuals, he added.

Asks Recreation Men To Help Build Morale

President Roosevelt on Sept. 29 called upon recreation workers to help build the morale of the American people by strengthening their services, asserting that "we are only as strong as our morale." This message of the President's was read at the National Recreation Congress, sponsored by the American Recreation Association, at Baltimore. The message follows:

> The delegates to the 26th National Recreation Congress, to whom I send hearty greetings, will be challenged on the very threshhold of their thinking by the fact that all they hold dear in life, and the ideals and principles they cherish in their work, are threatened by a great anti-social power. Nevertheless, the work of the association and all of those agencies working with it in this congress is a great asset in these critical times. The strains of life deepen—there is much to crush out its joy. But as a people we must strive to be happy while at the same time we train for defense or bear the restrictions of priorities.
>
> In addition to your regular recreation service to boys and girls so essential to their normal development, I call upon you and all recreation workers and agencies to strengthen your service in behalf of the young men in the armed forces of the nation, in behalf of defense industry workers and in behalf of the civilian population. We are only as strong as our morale. Your great task is to help build the morale of the American people, now called upon to perform an historic role.

FDR Hopes for Post-War World Trade Based on Fair Dealing and Mutual Benefit

In a message to the National Foreign Trade Convention in New York, President Roosevelt said on Oct. 7 that in the post-war world the Government is determined to continue and increase its efforts "to place international commerce on a basis of fair dealing, equality of treatment, and mutual benefit." He added that "in no other way can it serve the function of promoting, rather than retarding, peaceful relations among nations and the economic well-being of all."

The President's message was read to the convention by Under-Secretary of State Sumner Welles, who also delivered an address on post-war trade aims.

Mr. Roosevelt's statement follows:

> In extending my cordial grettings to the 28th national foreign trade convention, I wish to take this opportunity to congratulate the National Foreign Trade Council on the splendid work it has done, during more than a quarter of a century, toward the promotion and improvement of the foreign commerce of the United States.
>
> Today, as always, the movement of goods across the national frontiers is a vital phase of the task of enhancing the material well-being of individuals and nations everywhere. The very difficulties created by war conditions for an orderly functioning of the trade process furnish striking evidence of the significance of international commerce for the economic life of nations.
>
> Our nation is now engaged upon a gigantic undertaking in the field of national defense. The rise in the world of ruthless forces of unbridled aggression and the menace which this movement of world conquest presents to the safety of our country and of our hemisphere, have rendered the performance of our present vast task a paramount duty for all of us—for those of us who are primarily engaged in economic activity at home and for those of us who labor in the field of foreign commerce. I am sure that in the deliberations of your convention you will explore, fully and earnestly, the ways in which you, as foreign traders, may best contribute to the success of our national defense program.
>
> But in your case, as in the case of all of us, thinking and effort cannot stop there. We must all be concerned, not alone with overcoming the dangers which confront us now, but also with making sure that, when those dangers are over, we shall all make our best contribution toward building a world in which they will not recur. In that connection, the character of the international trade relations which will become established in the post-war world will be of utmost importance.
>
> We must make sure that no effort will be spared to place international commerce on a basis of fair dealing, equality of treatment, and mutual benefit. In no other way can it serve the function of promoting, rather than retarding, peaceful relations among nations and the economic well-being of all.
>
> For the past eight years this country sought vigorously to promote this type of international commercial relations. We are determined to continue and increase our efforts in that direction. In this respect, too, I am certain that your deliberations can usefully contribute toward finding the ways of attaining this all-important objective.

Farm Product Prices 43% Above Year Ago

Prices received by the Nation's farmers for their products during the month ended Sept. 15 averaged 43% higher than a year ago, and stood at the highest level since February, 1930, the Department of Agriculture's Marketing Service reported on Sept. 29. Continuing the steep climb noted in each of the last 6 months, the farm commodity price index rose 8 points during the month ended Sept. 15 to reach 139% of the August, 1909-July, 1914, average, said the Department, which stated that at this level, farm product prices exceeded the average of prices paid, interest, and taxes for the first time in 21 years. The Department's announcement further said:

> Mid-September averages were well above a year earlier despite the heavy supplies of many farm products in stock. Prices of oilseeds led the advance, and cottonseed was up about 35% during the month to reach the highest level since July, 1920. Rice, potatoes and a few other products declined seasonally.
>
> The steep climb in prices was attributed largely to a marked upturn in demand for agricultural products, stimulated by an increase of 48% in the income of industrial workers during the last year. The principal factors limiting price levels have been heavy production—record highs in some cases—and heavy stocks.
>
> While the farmers were receiving the benefits of sharply rising prices for produce, they also were paying more for the articles they bought. The general level of prices paid by farmers rose 2 points during the month, reaching 133% of the 1910-14 level—11 points higher than a year earlier. But with prices received advancing faster than prices paid, the per-unit purchasing power of farm products, in terms of prices paid, interest and taxes, increased 4 points during the month.

Cuts Refrigerator Output

The Office of Production Management on Sept. 30 ordered manufacturers of mechanical refrigerators to cut production for the last five months of 1941 by an average of 43.2% below the output for the year ended on June 30 last. The order, issued by Donald M. Nelson, OPM Priorities Director, on the advice of the Division of Civilian Supply, is designed to conserve strategic raw materials from non-defense industries. Production in the twelve months beginning Aug. 1, 1941 will be reduced to 2,007,000 units, as compared with 3,670,000 units produced in the twelve months ended June 30, 1941. It is estimated that the curtailment will release 175,000 tons of steel for defense work and also result in saving large quantities of aluminum, brass, chromium, copper, nickel, tin, zinc, mica and rubber. This was the second drastic cut imposed on an industry producing durable consumers goods since the OPM recently reduced automobile production. It is expected that similar cuts will soon be ordered for the washing machine, household ironer and vacuum cleaner industries as well as for other items.

Ceiling Prices Fixed For Acetic Acid by OPA

A schedule of ceiling prices covering bulk sales of acetic acid was issued on Sept. 24 by Leon Henderson, Federal Price Administrator. The maximum prices, effective Sept. 29, are 7¼ cents a pound for acetic acid of wood origin and 6¼ cents a pound for the synthetic type when sold in tank cars. Acetic acid is essential in the manufacture of a large number of important products such as rayon yarn, film, plastics, transparent wrapping materials, lacquers, varnishes and white lead.

A formal price ceiling for all grades of paperboard sold east of the Rocky Mountains become effective on Oct. 1. The schedule, which replaces voluntary price agreements with leading producers, fixes ceiling prices for the three base grades the same as those in the voluntary agreements, viz., $45 a ton for chipboard, $60 a ton for single manila lined board and $75 a ton for white patent coated newsboard. Differentials will be established for other types.

Price Administrator Henderson issued on Sept. 18 a schedule of maximum prices for by-product foundry coke and by-product blast furnace coke, important elements in the manufacture of iron and steel, effective Oct. 1. The action is considered essential to continued stability of the iron and steel price structure. Maximum prices for by-product foundry coke, f. o. b. oven in cars, under the schedule range from $8.50 to $12.25 per net ton of 2,000 pounds, depending on location of the oven plant. The maximum price, f.o.b. oven, on by-product furnace coke, according to the schedule, shall be 75 cents per net ton above the weighted average price, f. o. b. oven, at which deliveries were made during the first quarter of 1941.

On Sept. 19, the Office of Price Administration announced a new formula to permit cotton textile prices to be automatically adjusted to the price of spot raw cotton on ten markets. The new method will replace present price ceilings on cotton gray goods, combed cotton yarns and carded cotton yarns. The formula provides for a change in the ceiling price of ½c, upward or downward, for every change of 43 points in the price of spot raw cotton as reported for ten markets by the Department of Agriculture. The starting base will be 43c per pound for standard print cloth and 15.99c a pound for cotton.

The OPA on Sept. 18 corrected its revised hide price schedule to provide maximum prices of 14 and 13½ cents for trimmed and untrimmed hides from branded steers and cows, respectively. In its Sept. 13 order, the maximum prices for hides other than packer classifications sold on an unselected basis were fixed at 14½ cents for trimmed and 14 cents for untrimmed hides; referred to in our issue of Sept. 25, page 319.

Mr. Henderson announced Sept. 30 that present maximum prices of aluminum scrap and secondary aluminum ingot will be reduced approximately two cents on Nov. 1, to reflect the cut in primary aluminum prices from 17 cents per pound to 15 cents made on Oct. 1.

On Sept. 30 the OPA also brought prices of additional types of raw silk under the ceiling established for raw silk prices on Aug. 2. The original schedule, according to an inventory of silk supplies, did not cover comparatively small amounts of numerous types and grades. The ceiling prices for these additional grades are in line with the original schedule.

Canadian Activity Is Held at High Level

In its Sept. 24th "Business Summary" the Bank of Montreal reports that "the beginning of the third year of the war finds Canada with the transformation of her national economy to a war basis everywhere in evidence. The national income has reached its highest level in history, industrial production is mounting every month and has passed all previous records, and unemployment has virtually disappeared." The Bank's review goes on to say:

> Industrial activity is being maintained at an unprecedented level and so great is the demand for munitions and war equipment that until the war ends, the progressive expansion of war industries will be limited only by the skilled labor and raw materials available. As to labor generally, the Dominion Bureau of Statistics, after a careful analysis of various data, expresses the view that the reserve of employable workers who remain unemployed is now very low, that a tight situation in regard to labor can be expected within a few months and that the only large remaining reserve of labor consists of married women, pensioners and persons living on unearned incomes. The Minister of Munitions has lately estimated that the attainment of the peak of production aimed at in the war program will require an increase of 40% in the labor forces engaged in it. In respect to raw materials, the situation now is such that manufacturers of various goods destined for the civilian market are finding it increasingly difficult to get adequate supplies. This curtailment of "civilian" production will increase rather than decrease and its effect will ultimately be felt by retailers, who are presently faring well through the increased purchasing power of the workers. The activity of the mining industry remains high and the producers of base metals have an assured market at good prices for all their output.

Permits Gas Shipments

President Roosevelt signed a certificate on Aug. 31 permitting shipments of gasoline, lubricants and fuel oil to the Philippine Islands in vessels of foreign registry. This action, taken under his unlimited emergency powers and suspending a law passed in 1904, assures supplies of these products to the United States Army of the Far East.

The President's action last week in placing under export control all defense equipment in order to limit Philippine exports was referred to in our issue of Aug. 30, page 1205.

With regard to the threatened oil shortage on the Atlantic Coast the President is reported to have said at his press conference on Aug. 26 that the situation will be improved by spring because more tankers are being placed in service and two pipe lines from the Southwest oil fields should be in service by then.

Extends Vessel Seizure

President Roosevelt on Sept. 2 issued an executive order extending to June 30, 1942 the Maritime Commission's authority to take over any foreign merchant vessel which is lying idle in waters within the jurisdiction of the United States in the interests of national defense. The President's previous executive order limited such requisition only to vessels immobilized in American ports on or before June 6, 1941; this order was given in our issue of June 14, page 3731.

M. S. Szymczak of Federal Reserve Board Warns of Possible Further Credit Cuts

Discussing the recent action taken by the Federal Reserve System in increasing reserve requirements of membr banks with a view to checking credit expansion, M. S. Szymczak, a member of the Board of Governors of the Reserve System, on Sunday Oct. 5 pointed out that "one of the greatest economic fields is that of credit—credit of all kinds you get or I get when we borrow at the bank or at the finance company, or when we buy goods on the instalment plan." "And it is easy," he said, "to see that it isn't sufficient to draw off buying power from the market place through Government taxes and through Government borrowing if amounts thus drawn off can be offset, or more than offset, by the creation of new buying power through credit." Mr. Szymczak, who spoke at a California forum, at Los Angeles, Cal., went on to say:

> In this connection, therefore, the Federal Reserve System has raised the reserve requirements of member banks. While this does not directly affect you, and while this of course is but a small step in itself, more important from a psychological than from an immediate practical standpoint, it does signify a trend toward dampening down excessive credit expansion by the banking system of the country. It means that the banks must keep more of their funds with the Federal Reserve Banks, and this in turn means that the banks will not have quite so much to lend, though of course they still have a great deal left for that purpose.
>
> When this action was taken, the statement was made that—"The Treasury and the Board of Governors will continue to watch the economic situation and to cooperate with other agencies of the Government in their efforts, through priorities, allocations, price regulation, and otherwise, to fight inflation." This includes recommendations of further action if necessary over bank reserves.
>
> Not so long ago the Federal Reserve System was directed by Executive Order to put out (and it has put out) a regulation to tighten instalment or consumer credit—to tighten up the terms on which you or I may buy automobiles, refrigerators, radios, vacuum cleaners, and a limited number of other articles—desirable articles that all of us like to have and do not like to go without—but, nevertheless, articles that cannot be turned out and are not turned out during this emergency by plants and workers in sufficient quantities to go around while we are producing for defense.
>
> It doesn't mean, however, that you can no longer buy on time. It simply means that on certain articles—articles primarily that use materials needed for defense—you and I will have to make specified down payments—a third in the case of an automobile—less in all other cases under the present terms of the regulation. And you and I must pay the rest in 18 months on all articles listed, and besides that, on all cash instalment loans up to and including $1,000, as well as loans above $1,000 made for the purpose of purchasing (and secured by) a listed article. Not very severe terms, to be sure, but it is only fair to warn you that the terms may have to be tightened and may have to cover more articles. . . :
>
> Let us consider for a moment what the alternative is, if there is no damper put on this very important type of credit—consumer credit—if it continues to grow rapidly, as it has been doing for many months. Unless some check is put upon it, and other means of fighting inflation are also brought into action, there is no escape from soaring prices. . . .
>
> If given the choice, every thoughtful citizen would prefer to save some of his income if in so doing—if in cooperation with his fellow citizens, subject to the same regulations—he can help ward off price inflation—and he will have laid by something for the future, for a time when he and everybody else can buy goods that can be produced in sufficient quantity to meet the demands. And that will be when peace comes, when our plants and workers can be turned back to normal activity producing things of peace instead of things of war.

The recent increase in reserve requirements of member banks was referred to in our issue of Oct 2, page 396; in expressing his views before the House Banking and Currency Committee on Sept. 29 on the price control bill Marriner S. Eccles, Chairman of the Board of Governors of the Reserve System, indicated that the increase in reserve requirements has had no effect in checking inflation, and he stated that the Board should be given power to increase them further. Mr. Eccles' views were noted on page 416 of our Oct. 2 issue.

Lease-Lend for Brazil

A lease-lend agreement between the United States and Brazil was signed in Washington on Oct. 1 by Secretary of State Hull and the Brazilian Ambassador, Carlos Martins. Although the State Department merely confirmed that he agreement has been signed, the pact according to the Associated Press, is understood to include a loan of $90,000,000 to $110,000,000 to Brazil. These advices further said:

> Products which the United States will receive in return will be stipulated later, but it was believed that they would include important defense materials of which Brazil has a vast store, including materials and rubber.
>
> The proximity of the hump of Brazil to Dakar and the West African coast and the fact that the loan is reported to be several times larger than lease-lend loans made to other Latin-American countries make the agreement with Brazil by far the most important yet made with a "good neighbor" country.

Price Ceiling on Yarns

Price Administrator Leon Henderson on Oct. 3 imposed ceiling prices on carded cotton yarns, and provided for automatic adjustment of the schedule, according to fluctuations in the price of "spot" raw cotton. In indicating this action, Associated Press advices further said:

> Based on 15.99 cents a pound for raw cotton, the schedule sets maximum prices ranging from 35 to 55 cents a pound for the various single-ply yarns, and from 39 to 60 cents a pound for yarns of two and more plies.
>
> Adjustments of one-half cent a pound above and below these base prices are provided for all numbers of yarn whenever a change of 44½ points occur in the price of raw cotton as measured by the average closing price of 15-16 inch middling grade on ten "spot" markets for the previous day.

FDR & Willkie Join in Plea for Com. Chest

Making his annual appeal in behalf of the 1941 campaign in behalf of this year's Community Mobilization for Human Needs, President Roosevelt in a radio address on Oct. 3, expressed the hope that the American people will give more than ever this year, "to build up the well-being of our civilian population" not only for humanitarian purposes but for the added reason that "adequate national defense definitely needs it."

Also appearing on the same broadcast in support of the drive was Wendell L. Willkie, Republican Presidential candidate in the 1940 election. Mr. Willkie said that "we acknowledge the obligation as part of our free franchise to see to it that even the least fortunate human beings find comfort, health and a decent self-respect in this country; that those who cannot take care of themselves are cared for."

The radio program marked the opening of the campaign to raise $95,000,000 to meet the welfare needs of 9,000 voluntary social agencies united in 597 community chests throughout the country.

The President spoke from Washington and Mr. Willkie from New York.

The text of the President's talk follows:

> Once more I am making a straightforward, simple appeal to the people of our country to support a great annual event—the Community Mobilization for Human Needs. Most of you do not recognize this name, but it represents the tying together of hundreds of local community efforts known as "community chests" or "community funds" or "welfare drives." These represent consolidations of many thousands of local charities run by churches, social-welfare organizations, health associations and many others.
>
> The American people have given generously in the past—very generously.
>
> But this year I hope the American people will give more than ever before.
>
> That is because, in a great world threat to our future, we must, for ourselves and our country, preserve and make secure our values and the strength of our institutions.
>
> It is true that more people are at work in our land today than ever before. It is true that our national income is rising. But it is still true that millions of our fellow citizens are still undernourished, ill clad and poorly housed. Bad health maims too many of our American households.
>
> We must build up, not merely our Army and Navy, but we must build up the well being of our civilian population.
>
> In past years we have done this through a great humanitarian revival. This year we must do it for the added reason that adequate national defense definitely needs it.
>
> Once more I point out to you that the Federal government can not and ought not to try to cover the whole field of social service. Private agencies in every locality are essential not only for the good of the sick and the children and the mothers and the poor, but they are of the utmost importance in instilling charity or greater love of our fellow beings in the hearts of all of us as individuals.
>
> We can afford to be better neighbors to our neighbors. We can afford to give support to those noble men and women whose lives are devoted to the help of their fellows.
>
> It would be a calamity for the nation and its future if private charity did not exist and grow. That is why I am asking each and every individual in every town and village and on every farm to contribute something, large or small, toward this great and proven service. You will be helping to build a stronger and a better America. When I have said that, I have said all that is necessary, for it is a spiritual as well as a practical appeal to the better natures of my fellow citizens.

Country is now Back On Standard Time

The 1941 season of Daylight Saving Time ended on Sept. 28 for with that day most of the country returned to Standard Time. According to an announcement made on Sept. 27 by the Commerce and Industry Association of New York, Inc., there has been wider observance of the practice during the past summer than at any other period since 1919 when National Daylight Saving was in effect. During the last Summer it has been observed in practically every State east of the Mississippi River, either by the whole State or by some part of the State. It is announced that the Association will make efforts to bring about the enactment of laws which would extend Daylight Saving for two months next year making the Daylight Saving period from the last Sunday in March until the last Sunday in October instead of from the last Sunday in April until the last Sunday in September as was the case this year.

The main exception to the return to Standard Time is the City of Chicago which will retain Daylight Saving Time until Oct. 27. As a result of this decision, the Chicago Stock Exchange executive committee on Sept. 23 fixed trading hours for October to be from 10 A. M. to 3 P. M. Central Daylight Time, with the exception of Saturdays, when hours will be 10 A. M. to 12 noon (C.D.T.). This change was necessitated to conform with hours in New York and other leading cities. When Central Standard Time is resumed the Chicago Stock Exchange trading hours will revert to its normal schedule of 9 A. M. to 2:30 P. M., Mondays through Fridays, and 9 A. M. to 11:30 A. M. Saturdays.

The Chicago Board of Trade and the Chicago Mercantile Exchange continue to operate as they have all Summer on Daylight Time.

The following announcement regarding the return in New York to Eastern Standard Time was issued by the Federal Reserve Bank of New York on Sept. 22:

> The period during which "daylight saving time" is effective in the cities of New York and Buffalo, New York, will end at 2 A M. Sunday, Sept. 28, 1941. Thereafter this bank, including its Buffalo Branch, will operate on Eastern Standard Time.

Free Press Essential

In a message incident to the observance of National Newspaper Week Oct. 1-8, President Roosevelt declared that the maintenance of a free press "is a fundamental obligation of patriotism." His message follows:

> The recurrence of National Newspaper Week should awaken in the hearts and souls of all Americans a renewed determination to defend and maintain and perpetuate and priceless heritage of a free press.
>
> The maintenance of an unfettered press, informed by truth and guided by courage and conscience and wholehearted devotion to the public welfare, is a fundamental obligation of patriotism. I trust as a result of the forthcoming observance that Americans everywhere will have a renewed sense of the incalculable blessing which a free press confers. It must be maintained against all assaults.

Nine Months' Rayon Shipments a Record

Domestic shipments of rayon filament yarn to American consumers established a new high record for the first nine months of 1941 and recorded an increase of 18% over shipments for the corresponding period last year, states the "Rayon Organon," published by the Textile Economics Bureau, Inc., New York City. The announcement by the Bureau also says:

> Shipments for the nine months ended Sept. 30 aggregated 333,000,000 pounds as compared with 283,200,000 pounds shipped in the like period of 1940, an increase of approximately 50,000,000 pounds.
>
> For September alone, shipments of yarn aggregated 37,000,000 pounds as compared with 37,300,000 pounds in August and 30,900,000 pounds in September, 1940.
>
> Stocks of rayon filament yarn in the hands of producers aggregated 4,900,000 pounds at the end of September as compared with 4,200,000 pounds held at the end of August. "Essentially all of this slight increase in stocks held," states the "Organon," "is attributable to the pool yarn which has been set aside for Government allocation, but which was unshipped on September thirtieth."
>
> The inventory of rayon filament yarn held by broad weavers at the end of September, 1941, totaled 23,400,000 pounds as compared with 24,900,000 pounds Aug. 31, 1941, and 24,000,000 pounds on Sept. 30, 1940. These figures represent stocks held in mill warehouses or unopened cases, but exclusive of stock in process or in transit.

Finance & Defense—Special NYU Course

The national defense program creates difficult problems of an unprecedented character for industrial enterprises and financial institutions which will be the subject of special courses that are being offered currently by the Graduate School of Business Administration of New York University, Dean A. Wellington Taylor recently announced. "The application of tested financial and economic principles to the numerous questions raised for business by the defense program should prove of immediate value to executives of business concerns, banks, insurance companies and investment houses, Dean Taylor stated. Because of many requests the Graduate School of Business Administration is offering at the Wall Street Division a course dealing with "The Financial Problems of National Defense and War," to be given by Dr. Jules I. Bogen, Professor of Finance and Editor of the "Journal of Commerce." The lectures will be given at 90 Trinity Place on Thursday evenings at 5.15 p. m.

CCC Corn Price Up

The Department of Agriculture announced on Sept. 30 that, effective Oct. 1, Commodity Credit Corporation will offer Government-owned corn stored in terminal and subterminal elevators for sale into consumption channels at market prices between 75 and 79 cents for No. 2 yellow corn, basis Chicago. The announcement says:

> The price range for September was between 74 and 78 cents. The release price on corn in steel bins and country elevators will continue to be the local market price, or 65 cents per bushel, whichever is higher. Corn in steel bins that has been cleaned will be sold only if other steel bin corn is not available and the price will be one cent per bushel higher than for corn not cleaned.

N. A. M. President Fuller Recommends Eight Point Labor Program for Mediation Board

Declaring a "most critical need" of the nation today to be clear-cut government labor policy, Walter D. Fuller, President of the National Association of Manufacturers, on Sept. 29 put forward an eight-point program designed to stabilize management-labor relations and consequently accelerate defense production. Mr. Fuller, President of the Curtis Publishing Co., spoke at the Hotel Astor, New York City, to a gathering of industrial and other leaders assembled for the N. A. M.'s conference on "Preparedness for Today and Tomorrow."

Addressing his plea for the formulation of "fundamental" labor principles directly to the National Defense Mediation Board, Mr. Fuller advanced the following proposals:

1 The Mediation Board should secure an agreement from labor and industry that neither employer nor employee shall endeavor to take advantage of the country's necessity to change the existing bargaining relationship between the employer and the union.

2 The Board should make available to the public full information concerning the rules of Board procedure and operation.

3 When a strike or lockout exists at the time a dispute is referred to the Board, or a strike or lockout is called while the dispute is still before the Board, the Board shall refuse to proceed unless and until work has been resumed.

4 The Board should not lend its services to mediate disputes which involve strikes called without the approval of a maority of the affected employees.

5 The Board should make no recommendations as to whether or not employees should join a labor organization, nor should the Board under any circumstances recommend that an employer attempt to compel union membership.

6 The Board, in collaboration with the Labor Department, should establish a definitive minimum period during which the Conciliation Service should have full opportunity to effect a settlement before any dispute could be certified to the Board.

7 While the Board or any panel is engaged in the mediation of a dispute, separate conferences should be held with each of the parties involved. Experience has proved that the most amicable and effective means of composing differences is through discussion with each of the parties separately and prior to joint meetings.

8 After a case has been certified to the Board, and before ultimate disposal, neither the parties to the dispute nor the Board shall make any public statement. If either party fails to abide by such rule, then the other party shall be automatically released from observance of the rule, and the Board should promptly prepare a statement of the facts at issue, the status of its efforts to settle the dispute, and state the reason for the report.

Roosevelt Asks for Greater Efficiency

President Roosevelt declared on Oct. 6 that the "processes of distribution must be made more efficient and effective" than ever before in order that the primary requirements of international and national defense are not neglected and so that "unnecessary hardships" are not imposed on our civilian population. The President made this statement in a message to the annual Boston Conference on Distribution. The text of the President's message follows:

> The nation faces many new and difficult problems in the field of distribution. We must see to it that the other democracies and our armed forces are kept well supplied with all their requirements for the present struggle against the oppression and slavery of the dictators. That, in itself, is a monumental undertaking, but it cannot be neglected in any way.
>
> At the same time, we must see to it that these primary requirements of international and national defense do not impose unnecessary hardships on our civilian populations.
>
> To do this, the processes of distribution must be made more efficient and effective than they have ever been before. The production of more goods and supplies must be accompanied by the ability to get them into the hands of those who need them. The Government looks to your conference on distribution for constructive service in this direction.
>
> It is my sincere hope that you, and others in your field of endeavor all over the country, will be able so to order your affairs that there will be no delay in putting into the hands of the consumers the greatly increased output of our productive capacity.

NY State Mtg. Loans Increase in August

Mortgage loans made by all savings and loan associations in New York State during August, 1941, show a 12% increase in total amount loaned over August, 1940, and a 13½% increase in number of loans, according to figures announced by the New York State League of Savings and Loan Associations. The League's announcement further said:

> The 121 reporting member associations with assets totalling $269,005,969, made a total of 1,429 loans for a total of $4,977,101. Of these, there were 641 loans for the purchase of homes, totalling $2,440,504; 433 construction loans totalling $1,861,304; 107 loans refinanced for a total of $390,309; 106 repair loans totalling $130,316 and 142 other loans amounting to $154,668.
>
> Projecting the actual number of loans made, 1,429, to include all associations in the State, there would be a total of 2,458 amounting to $8,560,614, during August, 1941, which is an increase of 12%, or $937,561 in amount loaned over August, 1940, and an increase of 13½%, or 293, in number of loans. It is also an increase of 2%, or $170,578 in amount loaned over July, 1941.

Gall Resigns

John C. Gall, Counsel to the National Association of Manufacturers, and for 20 years an authority on corporate legislation, will resign from the Association on Nov. 1, the NAM's Board of Directors announced on Oct. 3. The Board accepted the resignation with "extreme regret." Mr. Gall, widely known for his penetrating studies and interpretations of Federal and State laws on corporate operations, will establish private practice in Washington.

N. Y. Board of Trade Opposes Profit Limit

Through its President, Arthur Snyder, the New York Board of Trade has declared its opposition to Secretary of the Treasury Morgenthau's proposed 6% limitations on profits. In a letter sent to members of the Board on Oct. 1, Mr. Snyder "calls to the attention of every member the highly dangerous implications contained in the Secretary's proposal." The Board urges every member of the organization "to be on the alert, and take all proper forceful action within his power to oppose this proposal," and it is also urged "that every member exercise his constitutional right to petition his representatives in the Congress to oppose this suggestion, or any one of similar intent." Some of the reasons cited for opposition are:

> "The proposal would penalize initiative, enterprise and managerial ability—all that has made this country great. It would be an almost insurmountable obstacle to starting new industries, and the expanding of old ones. It would offer no rewards for operating efficiency. It would hurt less those large business enterprises, which have great invested capital. It would strangle small business, which would be prevented from 'plowing back' the earnings into constructive growth.
>
> "It would spell the doom of many lines of business, which, because of their very nature, operate over long business cycles where the profits made in periods of business activity are reserved to carry over periods of depression.
>
> "Truly, we would be a spiritless Socialistic nation—and a 6% one at that.
>
> "This would be a confiscation tax on property, and of more importance, on human ingenuity, incentive and the American God-given will to work and to progress. It would be a very real 'dead end' street to American youth.
>
> "The inconsistencies of the Secretary's recommendation stand out sharply against the background of other present policies of the Administration. The prices of agricultural products and labor costs are rising with the encouragement of government, all apparently to encourage a speeding up of deliveries of necessary materials. In what way does business economically differ from agriculture and labor?
>
> "Business has already been singled out to carry increasing burdens of price control, priorities, corporate taxes, surtaxes and excess profits taxes, without corresponding burdens imposed on other major factors in our economy.

FDR Heartened by Loyalty

President Roosevelt said on Sept. 2, in a message to the sixteenth biennial convention of the National Federation of Federal Employees at Atlantic City, N. J., that the assurance that government workers will accept their responsibilities in a spirit of service "is heartening to me." The President's letter said in part:

> "It is clear that you and your organization recognize the tremendous issues facing our people and their government and also the responsibilities which those issues place upon government employees wherever located.
>
> Your letter is heartening to me because of the assurance that government employees will accept their responsibilities in a spirit of service rather than self-seeking, and will continue to bear witness to the fact that good government grows out of the will of the people and not by imposition upon the people."

Regional Variations For Corn Loan Rates

The Department of Agriculture announced on Sept. 23 that varying corn loan rates, determined on the basis of average corn prices as they vary from one area to another will be established in 1941. Under previous corn loan programs a "flat" or uniform corn loan rate has been used. Loan rates on wheat and cotton already vary according to location. The announcement also stated:

> Under existing legislation, corn loan rates for 1941 for cooperators in the commercial corn producing area must be determined on the basis of 85% of the parity price of corn as of the beginning of the marketing year, which is Oct. 1. For this purpose the parity price as of Sept. 15, 1941, will be used. The parity price as of Sept. 15 will not be published under Sept. 29, 1941, and therefore, it is not possible to make a final determination of corn rates at this time.
>
> It is anticipated, however, that the lowest corn loan rates in the commercial corn area will be between 65 and 67 cents per bushel and the highest corn loan rates in the commercial corn producing area will be between 74 and 76 cents per bushel.
>
> In the past, corn prices on the average have been lowest in the heavy surplus corn producing areas of southern Minnesota and northwestern Iowa, and, therefore, the corn loan rates will be the lowest in these areas. The highest corn loan rates will apply in Michigan, eastern Ohio, and parts of Missouri, where the amount of corn used normally exceeds the amount of corn produced locally, and higher than average corn prices normally prevail.

In anouncing that 1941 corn loan rates would vary as corn prices have varied heretofore, Secretary Wickard pointed out that this should tend to prevent a further accumulation of excessive reserve stocks in the northwestern part of the corn belt and encourage the storage of larger reserve stocks of corn in other parts of the corn belt. It was indicated also that corn loan rates based on past price relationships would bring about the least possible interference with normal livestock feeding operations in all parts of the corn belt and tend to facilitate a natural movement of corn to normal consuming areas.

Clearing House Promotes

Charles A. Hinrichs has been appointed an Assistant Manager of the New York Clearing House Association, it was announced Sept. 10 following a meeting of the Clearing House Committee. Mr. Hinrichs has been with the Clearing House for the past 29 years, serving in various departments, including the department of examinations for the past 10 years. This marks the first time in 87 years that the Clearing House has had two assistant managers. The other Assistant Manager, G. Russell Clark, was appointed in May, 1937 to succeed Edward L. Beck, who became Manager upon the retirement of the late Clarence E. Bacon.

Diversified Portfolios

Putnam & Co., 6 Central Row, Hartford, Conn., members of the New York Stock Exchange, are are featuring 4 diversified portfolios, each totaling $1,500, comprised of leading Connecticut stocks, as well as selected groups of other securities yielding approximately 5%, in their October bulletin, copies of which may be had from the firm upon request.

Says Soviet Guarantees Freedom of Worship!

President Roosevelt is indicated as stating on Sept. 30 that the Constitution of the Soviet Union provides for freedom of conscience and for freedom of religious worship and for anti-religious propaganda, remarking that the rule is essentially the same in the United States although not stated in the same way. At his press conference, the President called attention to Article 124 of the Soviet Constitution in support of his assertion. This article follows:

> "To ensure to citizens freedom of conscience, the church in the Union of Soviet Socialist Republics is separated from the state and the school from the church. Freedom of religious worship and freedom of anti-religious propaganda is recognized for all citizens."

The question of religious liberty arose when the President was asked about a letter the Polish Ambassador, J. Ciechanowski, had sent to Secretary of State Hull, reporting that the Polish army in Russia which has resumed the "fight against Hitlerite Germany," has been given the "right of opening its own schools, full cultural freedom and freedom of worship for both Christians and Jews."

In a letter answering the President's remarks, Representative Dies (Dem.—Texas), Chairman of the House Committee Investigating Un-American Activities, said on Oct. 1 that "freedom of religious worship is, and always has been, as non-existent in Soviet Russia as freedom of speech has been non-existent in Hitler's Reich," adding that the "history of the Soviet regime in this connection is not one about which there can be any debate." Similar protests were made by church officials and others.

Australia's First Billion Dollar Budget

Australia's estimated war expenditure for the year ending June 30, 1942, will be £217,000,000 ($705,000,000), compared with £170,000,000, ($552,000,000) last year, Prime Minister Arthur W. Fadden told the Australian Parliament at Canberra on Sept. 25, according to an announcement issued by the Australian News & Information Bureau in New York. From the announcement we also quote:

> Introducing Australia's first billion-dollar budget, Mr. Fadden said that the current year's war program would be double that of 1940-41. This was not adequately reflected in the budgeted war expenditure, but was in part derived from Lend-Lease arrangements. Under Lend-Lease, Australia would receive war material not manufacturable in Australia and unobtainable elsewhere than the United States.
>
> Of the £217,000,000 war program, £160,000,000, would be spent in Australia. An additional £55,000,000 would be spent to provide war materials for the United Kingdom, Empire and Allied Governments. Most of this would be reimbursed during the year.
>
> To meet war expenditure, £63,000,000 is available under present rates of taxation, leaving £154,000,000 to be found. £122,000,000 will be borrowed, and £32,000,000 raised by taxation and special war-time contribution.
>
> Outstanding among proposals to raise this money is that for a system of compulsory loans, which Fadden described as national, or war-time, contributions. They will operate on all incomes above £100, will carry two per cent interest, and will be repayable after the war.

30 Years of Railroad Progress Discussed By S. O. Dunn, Editor of the "Railway Age"

" 'Thirty Years of Railroad Progress' " was the subject of an address delivered in Colorado Springs, Colo., on Oct. 1 at the annual meeting of the Railway Signal Association by Samuel O. Dunn, editor of "Railway Age," on the 30th anniversary of his appointment as editor of that paper, and also 30 years after he had delivered his first public address on a railway subject before the same railway association. "Our great railroad industry repeatedly has been criticised by the uninformed for having been unprogressive,' said Mr. Dunn, "and yet the record it has made under great difficulties during the last 30 years, and the record in rendering public service that it is making in 1941, demonstrate as remarkable progress and achievement as have ever been made by any industry in the world." In part, Mr. Dunn also said:

When I addressed this same association in this same city 30 years ago I discussed the problem of increasing safety in transportation; and there is no better evidence of the progress since made in railroading than the great reduction in accidents. The number of fatalities resulting from railway operation in 1911 was 10,396; in 1926, fifteen years later, 7,090; in 1939, the last year for which complete figures are available, 4,492—the smallest number in any year of which there is any record. . . .

This great achievement in increasing safety has been accomplished by improvements in plant, in personnel and in methods, and in spite of great increases, especially within recent years, in the speeds of both passenger and freight trains. . . .

The investment in our railways 30 years ago was about $15,000,000,000, and is now about $26,000,000,000. Their mileage of line has not increased much, the increase in investment of $11,000,000,000 having been made almost entirely in improvements to enlarge the capacity of lines already existing, to improve service to the public and to effect economies in operation. The tremendous cumulative effect of all the investment and improvements made has never been so strikingly and conclusively shown as by the way in which the railways have been meeting the unprecedented increase in demands for service made upon them this year. . . .

This is a record of progress the great significance of which should not be ignored at the present time when the trend is so strongly away from private enterprise, for it is a record made by an industry created and managed entirely by private enterprise. All the large investment of capital which has rendered practicable the improvements in service has been private capital. All the economies that have rendered it possible for the railways to stand an increase in their taxes from less than $100,000,000 in 1911 to about $450,000,000 this year and to stand an increase of 170% in the average annual wage of their employees, have been made possible by private capital.

The owners of that capital subjected it to the risk of investment on the assurance of the Constitution of the United States that a fair return would be allowed to be earned upon it; but during the last decade the return actually earned has been less than 2%. Addition inventment will be required in the future for the same reasons that it has been required in the past. It will not be made by private investors without an increase in the return earned; and when private investors refuse to make investments in sufficient amounts progress in railway transportation under private ownership and management will have ended and government ownership will have become unavoidable.

Retire Brazil Coffee Bonds

Schroder Trust Co. of New York, as special agent for the National Coffee Department, Rio de Janeiro, Brazil, under the offer dated Sept. 2, 1941 for tenders of State of San Paulo 7% Coffee Ralization Loan of 1930 bonds, announces that tenders of $427,000 principal amount of said bonds have been accepted for retirement pursuant to the terms of the offer. The plan was referred to in these columns Sept. 4, page 19.

Secretary Hull Signs Pan American Protocol

Secretary of State Cordell Hull signed on Oct. 3 on behalf of the United States the Pan American Protocal on Uniformity of Powers of Attorney. According to an announcement issued by the Pan American Union, the protocol has for its purpose the simplification and uniformity of powers of attorney which are granted in one American Republic for utilization in another country, member of the Pan American Union. The advices from the latter likewise state:

The agreement does not change the laws of the contracting states in so far as they regulate powers of attorney executed and utilized in the country itself, but merely affects those powers of attorney which are prepared in one republic for use in another. It is stipulated that the powers of attorney granted in any of the member countries of the Pan American Union which are executed in conformity with the rules of the protocol shall be given "full faith and credit" in the other countries. Special rules of legalization are not, however, dispensed with.

The United States is the eighth country to sign the protocol, the other signatories being Bolivia, Brazil, Colombia, El Salvador, Nicaragua, Panama and Venezuela.

Insurance Law Hearings

Assemblyman Russell Wright of Watertown, N. Y., Chairman of the Joint Legislative Committee on Revision of the Insurance Law, announced on Sept. 29 that his Committee would hold public hearings in New York City on Oct. 20 and 21 at 10 A.M. The hearings will be held in the Public Service Hearing Room, 80 Centre Street, New York City, and will deal with the following questions:

(1) Shall trustees be permitted to invest in insurance company stocks?

(2) Shall life insurance companies be permitted to invest in common stocks?

It is stated that while the discussions may very well overlap, it is expected that the first subject will be discussed on the 20th and the second on the 21st.

1940 Corn Loans

The Department of Agriculture announced on Sept. 26 that 1,960 Commodity Credit Corporation loans on the 1940 corn crop were repaid during the week ending Sept. 20, 1941. This brought total loan repayments to that date to 24,127, representing 23,340,511 bushels valued at $14,216,969.01. There remained outstanding 85,217 loans on 79,523,599 bushels valued at $48,461,128.

N. Y. Insured Banks Have Large Resources

Resources of the 714 insured commercial banks in the State of New York totaled $23,017,233,000 on June 30, 1941, according to a survey made public Oct. 7 by the Federal Deposit Insurance Corporation. The announcement further stated:

Deposits in the insured banks were listed as $20,706,302,000. Demand deposits of the latest call date amounted to $18,616,106,000 and time deposits totaled $2,090,196,000.

Loans and discounts of the reporting banks amounted to $4,789,753,000, an increase of $850,000,000 over the June 29, 1940 total.

Direct and guaranteed obligations of the United States Government listed by the New York banks amounted to $8,060,247,000 on June 30, 1941. Other securities totaled $1,844,174,000.

Loans and discounts of the 13,423 insured commercial banks throughout the country totaled $19,913,000,000, an increase of $2,899,000,000 or 17% over the amount reported June 29, 1940. Deposits increased from the $58,425,000,000 reported the previous year to $65,617,000,000, the highest figure since inauguration of deposit insurance.

A detailed statement showing the condition of the nation's insured banks was given in our issue of Sept. 4, page 31.

Results of Treasury Bill Offerings Told

Secretary of the Treasury Morgenthau announced on Sept. 22 that the tenders for $100,000,000, or thereabouts, of 91-day Treasury bills, to be dated Sept. 24, and to mature Dec. 24, 1941, which were offered on Sept. 19, were opened at the Federal Reserve Banks on Sept. 22.

The details of this issue are as follows:

Total applied for—$404,215,000.

Total accepted—$100,742,000.

Range of accepted bids:

High—100.

Low—99.989 Equivalent rate approximately 0.044%.

Average price—99.991 Equivalent rate approximately 0.037%.

(17% of the amount bid for at the low price was accepted.)

There was a maturity of a previous issue of Treasury bills on Sept. 24 in amount of $100,068,000.

The results of the most recent offering of $100,000,000 of 91-day Treasury bills dated Oct. 1 and maturing Dec. 31, 1941 were announced by Secretary Morgenthau on Sept. 29. The details are as follows:

Total applied for—$182,005,000.

Total accepted—$100,045,000.

Range of accepted bills:

High—100.001.

Low—99.975 Equivalent rate approximately 0.099%.

Average price—99.984 Equivalent rate approximately 0.062%.

(65% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Oct. 1 in amount of $100,880,000.

In his announcement of the offering on Sept. 26, the Secretary included the following new provision in the regular circular:

Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Following are the results to the offering on Oct. 3 of $100,000,000 of 91-day bills, dated Oct. 8 and to mature Jan. 7, 1942:

Total applied for—$368,817,000.

Total accepted—$100,433,000.

Range of accepted bids:

High—100.003.

Low—99.999 Equivalent rate approximately 0.004%.

Average price — 99.9996 Equivalent rate approximately 0.002%.

(73% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Oct. 8 in amount of $100,048,000.

Secretary Morgenthau on Oct. 7 invited tenders to another $100,000,000 of 91-day Treasury bills, to be dated Oct. 15 and to mature Jan. 14, 1942. Tenders will be received at the Federal Reserve Banks and branches up to 2 p. m. (EST) Oct. 10.

Canadian Financier Dies

Sir Herbert Samuel Holt, Canadian financier, once reputed to be the wealthiest man in the Dominion, died on Sept. 28 at his home in Montreal at the age of 85. Sir Herbert and his associates at various times were said to have controlled 250 companies with total assets of more than $2,000,000,000. A native of Dublin who came to Canada in 1875, Sir Herbert began his business career as a civil engineer and later acting as a railway contractor. According to the Montreal "Gazette" of Sept. 29, Sir Herbert was best known as head of one of the country's principal public utilities, the Montreal Light, Heat and Power Consolidated, and as head of the Royal Bank of Canada. In recent years he relinguished the presidency of both these organizations, becoming, in each case, chairman of the board. The paper quoted further reported:

Railways always were a keen interest of Sir Herbert, and he was known as one of the railway builders of the Dominion. For years he was a director of the Canadian Pacific Railway Co. and a member of the executive committee.

Textiles were another pet interest, the Dominion Textile Co. being a particular hobby. At the time of his death he was chairman of the board of both Dominion Textiles Co. and Montreal Cottons Limited, the latter being controlled by the former:

He was also vice-president and a director of Consolidated Mining and Smelting Co. of Canada Limited, president of the Montreal Trust Co., and a director of numerous other companies.

British India Sugars

Negotiations with the International Sugar Council have resulted in permission for British India to export an estimated surplus of up to 200,000 metric tons of white sugars to United Kingdom, and/or the Middle East for British Government requirements, according to reports received by B. W. Dyer & Co., New York, sugar economists and brokers. It is pointed out in the announcements that last year permission to ship a similar quantity to United Kingdom was granted, but a deal was not consummated because of widely divergent ideas of price, and it is added that with the possibility of increased military operations in the Middle East, the British Government may need supplies of sugar from such nearby areas.

Business Failures Decline

The downward trend of commercial failures in evidence since last March, was reversed in August, when, according to the records of Dun & Bradstreet, insolvencies rose to 954 instances involving $11,134,000 current liabilities from 908, involving $13,422,000 in July. The July figure was the lowest reported for any month since the credit agency commenced to report figures on the present basis, in January 1939. From July to August the number of failures has declined in each of the past three years, but a month-to-month increase in this season is not infrequent and has occurred, in fact, in seven of the past fifteen years. Last month's disaster were 15% fewer than a year ago when 1,128 firms failed for $12,997,000; July showed a year-to-year drop of 23% and June one of 13%.

All the different industrial and commercial groups into which the failures are divided had a greater number of casualities in August than in the month before, but all except the construction division had fewer than in the corresponding month of 1940. Compared with a year before, retail disasters dropped to 585 with $3,492,000 liabilities from 732 with $5,056,000. Wholesale failures, in the same period, fell to 81 involving $1,439,000 from 102 involving $1,721,000. Manufacturing insolvencies declined to 166 having $3,799,000 liabilities from 196 involving $4,386,000 in August 1940. In the commercial service division the number of firms dropped to 46 from 49 while liabilities rose to $672,000 from $562,000. In the construction division 76 firms failed for $1,732,000 last month compared with 49 for $1,272,000 in August 1940.

On a geographical basis, failures were reduced from a year ago in all sections of the country execpt the Philadelphia and Cleveland Federal Reserve Districts. As compared with last July, however, decreases occurred only in the Boston, St. Louis, and Kansas City Districts; all other Districts either had the same number or more than a year ago.

Curb Retires More Seats

The Board of Governors of the New York Curb Exchange on Oct. 1 authorized the purchase for retirement of the memberships of Joseph Berson, deceased, and Francis A. Connolly. These seats will be retired at the expiration of a 7-day posting period. The present market for seats on the Curb Exchange is $1,000, bid by the Exchange, offered at $2,500.

Other recent memberships purchased by the Exchange under its plan to retire not more than 50 of the 550 seats, with the cost being divided between the Exchange and the members individually, included the following:

Authorizing the purchase and retirement of the membership of J. E. Jackson on Sept. 30; of Luis J. Francke, Jr., on Sept. 17 and of Erik Neuberg, deceased, on Sept. 16.

The first seat purchases under the membership retirement plan occurred on Aug. 20 and was referred to in these columns Aug. 23, page 1075.

Wis. License Suspended

The Wisconsin license of Alfred O'Gara & Co., underwriting and brokerage firm of Chicago, has been suspended by the Wisconsin securities department pending a hearing set for October 14th in Madison on charges that the firm sold securities which were not registered in the state. Alfred O'Gara, senior partner of the firm, said that no such sales had been made by the company and that the charges were evidently based upon a "misunderstanding." The firm will contest the charges.

President of N. Y. Mutual Life Insurance Co. Opposes Competitive Bidding as Detrimental

Opposition to competitive bidding by insurance companies for security issues was expressed on Oct. 1 by Lewis W. Douglas, President of the Mutual Life Insurance Co. of New York, in addressing the annual convention in New York of the Mortgage Bankers' Association. Mr. Douglas, whose company was one of three which purchased (on Sept. 29) a $90,000,000 issue of debentures of the American Telephone & Telegraph Co. indicated concern over the possible damage that might be done to the country's investment banking machinery in a continuance of the system followed for bids on debentures, it was stated in the New York "Times" of Oct. 2, in which it was likewise stated:

"I believe the insurance companies were entirely justified in submitting a bid in this case to test the new procedure and of pointing up both its merits and its defects," he said. "In fact, I think it was their duty to cooperate. But I personally feel that the submission of that bid does not mean that the company with which I am associated will necessarily follow this procedure as a regular policy.

"Certain implications in this system of competitive bidding by investing institutions cause me grave concern. The system, if continued over the long term, will tend to concentrate the biggest and perhaps the best security issues in the hands of a few large investing institutions, which between them may eventually control the obligations of the country's leading corporations. I believe that such a trend toward concentrated investment holdings is ultimately of doubtful economic and social good, if indeed it is of any good at all."

Mr. Douglas expressed the opinion that it was probably inevitable that such a system of bidding should spring up "in our present economic environment," partly because in the past investment bankers, institutional investors and the issuing companies have been "unimaginative and somewhat indifferent both to the narrow and to the broad aspects of the capital market."

Another reason he gave was the existence of a "borrower's market" under which good securities virtually "sell themselves" and the investment banker's contribution to American economy is temporarily reduced.

"But when and if the economic environment changes and we come into a 'lender's market,' in which buyers must be found, the investment banker's function again will assume its former importance," he added.

"I am fully aware that the submission of bids by insurance companies and other large investors places investment banking syndicates at a competitive disadvantage, because the banking syndicates bid for resale, whereas insurance companies bid for their own investment. This is like asking a wholesaler to pay a retail price while still performing his function as a wholesaler."

SEC on Inv. Co. Attorneys

The Securities and Exchange Commission made public on Sept. 15, an opinion of its General Counsel, Chester T. Lane, to the effect that attorneys on a general retainer from an investment company are "employees" of the investment company, as that term is used in Section 10 (a) of the Investment Company Act of 1940. In explaining this opinion the Commission said:

> Section 10 (a) of the Act provides that after one year from the effective date thereof, no registered investment company shall have a board of directors more than 60% of the members of which are persons who are investment advisers of, affiliated persons of an investment adviser of, or officers or employees of, such registered company. The opinion of the General Counsel, in response to an inquiry from a member of the industry, is that the term "employees" as used in the section includes individual attorneys and members and associates of law firms on a general retainer from an investment company. Consequently, such persons cannot be considered "independent" under Section 10 (a) of the Act.

The Securities and Exchange Commission announced on Sept. 18, that it has amended the Instruction Book for Form A-2 (form used for registration by seasoned corporations under the Securities Act of 1933) so as to provide for a short form of prospectus regarding employees' savings, profit sharing or pension plans the funds of which are principally invested in stock of the employer. The short form of prospectus provided for may be used only where the person to whom it is sent or given is already a member of the plan and has previously received a full prospectus meeting the requirements of the Securities Act. The new prospectus merely supplements and brings up to date the information contained in the prospectus previously received.

The Commission announced Sept. 19, that it has rescinded Form A-R which was prescribed for registration under the Securities Act of 1933 of corporate bonds secured by a mortgage insured by the Federal Housing Administration. This action was taken because the need for the form no longer exists.

Minerals Defense Key

Charles B. Henderson, Chairman of the Reconstruction Finance Corporation, said on Oct. 2 that minerals are the key to the defense program and that unless America obtains adequate supplies of copper, tin, manganese, zinc, lead, tungsten, manganesium, mercury, and other strategic and critical materials, it cannot produce the necessary ships, tanks, aircraft, guns, ammunition, explosives, and many other kinds of military and naval equipment made from metals. Mr. Henderson made this assertion in an address before the eighth annual American Mining Congress held in San Francisco. The RFC Chairman also explained the activities of various corporation subsidiaries in connection with acquiring strategic and critical materials needed for the national defense program.

Housing Developments

Claiming that even in the midst of the present emergency American business must think of the future, C. Donald Dallas, President of Revere Copper and Brass, Inc., announced on Oct. 1 that his company was embarking on a national campaign to keep the public informed of trends and improvements in housing development. Revere's object, Mr. Dallas explained, is to help stimulate for the future a purchasing power built around housing and home-furnishing which will help to take up the industrial and labor slack when defense orders tapers off.

Corporate Reorganization

The Securities and Exchange Commission announced Sept. 20, that 126 companies with assets aggregating approximately $98,200,000 (book value), and indebtedness totaling approximately $90,600,000, were made the subject of reorganization proceedings under Chapter X of the Bankruptcy Act, as amended, during the first six months of 1941.

These figures compare with 134 companies, involving total assets of $871,400,000 and indebtedness of $446,400,000, for which reorganization proceedings were begun during the first half of 1940 and with 165 companies, having combined assets of $63,879,000 and indebtedness of $53,216,000, for which proceedings were begun during the second half of 1940. It should be noted that over $800,000,000 of the assets and $400,000,000 of the indebtedness for the first half of 1940 were accounted for by the Associated Gas and Electric Co. and its subsidiary, Associated Gas and Electric Corp.

The most recent six months' data on corporate reorganization under Chapter X of the Bankruptcy Act, as amended, are contained in an analysis, prepared by the Reorganization Division and made public by the Commission, which is one of a series of studies issued semi-annually and covers the period January 1, through June 30, 1941.

The Commission's announcement further explained:

> Manufacturing, real estate, and merchandising groups accounted for more than two-thirds of the 126 companies, with respective totals of 44, 27, and 23.
>
> Real estate companies had the largest aggregate assets and indebtedness with $42,050,000 or 43%, and $40,823,000 or 45% of the respective totals. The five companies engaged in finance and investment business were second in aggregate assets with $25,367,000 or 26% of the total, and in combined indebtedness with $21,750,000 or 24% of the total. The manufacturing group was third in both respects with $15,624,000 or 16% of the total assets and $10,258,000 or 11% of the total indebtedness. Although the merchandising group was third in total number, the companies therein accounted for less than 6% of the total assets and indebtedness.
>
> Of the total of 126 companies, 93 showed indebtedness of less than $250,000 each, and accounted for only 9% of the total indebtedness. The 28 companies with indebtedness of at least $250,000 but less than $3,000,000 each accounted for 28% of the total indebtedness. The remaining 5 companies with indebtedness of at least $3,000,000 each had aggregate indebtedness of $56,653,000 or 63% of the total.

Peru Sugar Quotas

The quotas of sugar which Peru, the Dominican Republic, and Haiti may market in this country in 1941 have been increased by a total of 89,292 short tons, raw value, as the result of reallotment of deficiencies in the supplies of other foreign full-duty paying countries supplying the United States, the Department of Agriculture announced on Sept. 24.

Officials of the Sugar Division of the Agricultural Adjustment Administration said that Peru's share of the increase is 53,058 tons, bring that country's current quota to 150,758 tons; that of Haiti, 4,399 tons, making a quota of 12,501 tons; and Dominican Republic, 31,835 tons, raising its quota to 90,455 tons.

The reallotment was made under the authority of the Sugar Act of 1937. The Act provides that portions of July 1 quotas of full-duty paying countries which are unfilled on Sept. 1 are to be reallotted to countries which have filled their quotas.

British Use of Steel OK

The Iron and Steel Defense Industry Advisory Committee announced on Sept. 11 that, on the basis of a confidential memorandum supplied by the British Purchasing Commission, Steel obtained by Britain under the lease-lend program "is being used in a fair, effective and proper manner." There had been reports that the British had been disposing of lease-lend steel in competition with American steel mills. The group's statement also stated that negotiations are now in progress to increase the shipments of finished steel products to Britain in view of the reduction in their requisitions for iron and steel scrap.

The Committee's statement follows:

> This committee has examined with great interest a confidential memorandum supplied by the British Purchasing Committee regarding the use being made in the British Empire of steel obtained from the United States under the lease-lend program.
>
> The committee is satisfied from this report that the lease-lend steel is being used in a fair, effective and proper manner.
>
> Total steel requirements of the British under the lease-lend program appear to the committee to be entirely reasonable.
>
> The committee was gratified to learn that original British requisitions for iron and steel scrap have been reduced, in view of the shortage of scrap for the operation of American steel plants, and that negotiations are now in progress to increase the proportion of finished products in the steel shipments to Britain.

August Sales on Exchanges

The Securities and Exchange Commission announced on Sept 25 that the market value of total sales on all registered securities exchanges for August 1941 amounted to $502,853,427, a decrease of 30.9% from the market value of total sales for July and an increase of 29.6% over the market value of total sales for August 1940. From the SEC announcement we quote:

> Stock sales, excluding rights and warrants, had a market value of $412,311,173, a decrease of 32.5% from July. Bond sales were valued at $87,765,822, a decrease of 24.5% from the total for July. The market value of right and warrant sales in August totaled $2,766,432.
>
> The volume of stock sales, excluding rights and warrants was 20,647,593 shares, a decrease of 28.4% from July Total principal amount of bond sales was $160,890,575, a decrease of 27.8% from July.
>
> The two New York exchanges accounted for 92.9% of the market value of total sales, 91.5% of the market value of stock sales, and 99.8% of the market value of bond sales on all registered securities exchanges.
>
> The market value of total sales on all exempted securities exchanges amounted to $587,864, a decreae of 5.2% from July.

Alcohol Price Ceiling

The office of Price Administration issued on Oct. 5 a schedule of maximum prices for wood alcohol. The schedule effective Oct. 10, and covering all transactions in containers of 50 gallons or more, sets a maximum price of 60 cents a gallon (according to Washington advices to the New York "Journal of Commerce") delivered in tank car lots, for the four principal grades of wood alcohol sold east of the Missisippi River. West of the Mississippi, 3 cents a gallon may be added to the base ceiling price.

Aeronautical Commission

President Roosevelt established on Sept. 23 the United States National Commission of the Permanent American Aeronautical Commission. The appointment of this group grew out of an agreement made at the Lima Pan-American Conference in 1938 to coordinate activities pertaining to Western Hemisphere aeronautics.

Thomas Burke, Chief of the State Department Division of International Communications, was named chairman. Other members of the American branch named by the President are:

Reed M. Chambers, United States Aviation Insurance Underwriters, New York.

John C. Cooper, Jr., Vice-President, Pan American Airways Corp., New York.

Richard E. Elwell, chief counsel, Civil Aeronautics Administration, Department of Commerce.

Samuel E. Gates, international counselor, Civil Aeronautics Board.

Harold R. Harris, Vice-President, Pan American-Grace Airways, Inc., New York.

Dr. J. C. Hunsaker, Massachusetts Institute of Technology.

Colonel John H. Jouett, Army Reserve, President of the Aeronautical Chamber of Commerce of America, Inc., Washington.

Dr. George Lewis, Director of Aeronautics Research, National Advisory Committee for Aeronautics.

Dr. Ross A. McFarland, Harvard University.

Captain Denis Mulligan, United States Army Air Corps, Wright Field, Dayton.

Theodore P. Wright, Assistant Chief, aircraft branch, Office of Production Management.

Can Liquidate Rubber

Trading in crude rubber futures on the Commodity Exchange, Inc., New York, was resumed on Sept. 15 for the sole purpose of liquidating the outstanding open contracts. This action came after Federal Price Administrator Henderson approved on Sept. 10 a proposal submitted by the Exchange specifying that trading be resumed for liquidation purposes only and under a price ceiling of 22½ cents a pound. The 22½c figure is the base price recently fixed by the Rubber Reserve Co., an agency of Reconstruction Finance Corporation for sale of crude rubber to manufacturers.

Trading in rubber futures was suspended on Aug. 13 in response to a request by Mr. Henderson that outstanding contracts be settled at prices prevailing on Aug. 12. It was his contention that the possibility of a rise in the free supplies of rubber would thus be forestalled. Suspension of trading was noted in our issue of Aug. 16, page 926, while the maximum price was reported in these columns of Aug. 9, page 774.

Advises Aid to Russia

Viscount Halifax, British Ambassador to the United States, arrived in New York on Oct. 1 aboard the Dixie Clipper of Pan American Airways after a month's visit in England. At a press conference given shortly after his arrival, the Ambassador emphasized the necessity of the United States and Great Britain giving all possible aid to Russia as quickly as possible. He also said that a considerable amount of munitions and equipment has gone or is on its way to Russia, adding that it is only the beginning of a steady stream of supplies. Lord Halifax stated that he did not have any special message from Prime Minister Churchill for President Roosevelt but hoped to confer shortly with the President. The Ambassador went to England in mid-August on a bomber plane from Canada.

Sees Flow of Capital Into Enterprise Cut with Government Agencies Competing

State Commissioners who regulate the securities business were challenged by Arthur G. Davis on Oct. 7 to "keep the channel open and unobstructed for private capital to flow into private industry so that business enterprises need never reach the point where they have only the government as their sole capital source." Mr. Davis, who is Field Secretary of the Investment Bankers' Association of America, thus counseled in an address at Biloxi, Miss., before the annual convention of the National Association of Securities Commissioners, at which time he said it was the commissioners' duty to help preserve the free enterprise system by preserving the machinery through which industry is financed. In part Mr. Davis had the following to say:

"There is right now a great national fear, a fear that the familiar and well loved things that have made up our way of living cannot survive the times. Our gravest fear is that the flow of capital into enterprise will somehow be pinched off, and that government may become the only source of funds for financing industry. Even now it is happening for there are already 32 governmental agencies competing with private credit facilities.

"Inherent in the most liberally written loan contract there must be the right of foreclosure. So, in government loans and advances there is inherent the threat of government ownership. Government operation, with jobs and wages dependent upon political favor, would be the next step. Private enterprises could never survive in competition with establishments financed with taxpayers' money and operating free of taxes and under no necessity to sell their products at prices which would make expenses.

"In this time of national emergency nothing save the actual production of arms and armament is more important than a full cooperation by all commissions, State and National, to the end of efficient regulation with the least possible interference with honest business and all possible encouragement to the flow of capital into industry."

Howell Is Elected President of New York Clearing House; Annual Transactions

The New York Clearing House Association, at its annual meeting held Oct. 7, elected Herbert P. Howell, Chairman of the Commercial National Bank and Trust Co., as President for the year ending Oct. 6, 1942, succeeding Percy H Johnston, Chairman of the Chemical Bank & Trust Co. At the same time H. Donald Campbell, President of the Chase National Bank, was elected Chairman of the Clearing House Committee to succeed Gordon S. Rentschler, Chairman of the National City Bank. Mr. Howell had served on the Conference Committee during the past year while Mr. Campbell was a member of the Clearing Committee. Other members of the Clearing House Committee are: Dunham B. Sherer, Chairman of the Corn Exchange Bank Trust Co.; Engene W. Stetson, President of the Guaranty Trust Co.; William S. Gray, Jr., President of the Central Hanover Bank and Trust Co., and J. Stewart Baker, Chairman of the Bank of the Manhattan Co. Mr. Sherer served on the Committee during the past year.

According to the report of Edward L. Beck, Manager of the Clearing House, total clearing transactions for the year ending Sept. 30, 1941 amounted to $211,604,998,472 comparing with $186,200,098,586 in the previous year. The transactions for the year just ended consisted of exchanges of $177,253,091,686 and balances of $34,351,906,785. For the fiscal year ending Sept. 30, 1940 the exchanges amounted to $157,508,323,795 while the balances were $28,691,774,791. The report of the Clearing House for the year ended Sept. 30, 1940 was referred to in our issue of Oct. 5, 1940, page 1986.

The following are extracts from the report for the year ending Sept. 30, 1941:

The Clearing House transactions for the year amounted to—

Exchanges	$177,253,091,686.27
Balances	34,351,906,785.30
Total transactions	$211,604,998,471.57

The average daily transactions:

Exchanges	$586,930,767.17
Balances	113,748,035.71
Total	$700,678,802.88
Largest exchanges on any one day during the year (June 3, 1941)	1,174,099,496.67
Smallest exchanges on any one day during the year (Aug. 11, 1941)	235,676,574.57
Largest balances on any one day during the year (March 7, 1941)	206,673,351.38
Smallest balances on any one day during the year (March 8, 1941)	61,599,528.12

The total amount of the Coupon Exchange was $544,635,494.78.

The total amount of the Return Item Exchange was $42,854,753.06.

In the past year the Night Exchange Department handled 63% of the total daily exchanges.

Total transactions since organization of Clearing House (88 years):

Exchanges	$8,547,072,658,550.17
Balances	846,726,490,479.25
Total	$9,393,799,149,029.41
Largest exchanges on record (Oct. 31, 1929)	$3,853,040,114.48
Largest balances on record (Oct. 30, 1929)	432,909,546.73

Samuel Shaw, Vice President and Secretary of the Chemical Bank & Trust Co., was reelected Secretary of the Clearing House. Mr. Beck continues as Manager, and G. Russell Clark and Charles A. Hinrichs continue as assistant managers. In addition to the Clearing House Committee the members of the other Committees named are:

Conference Committee: Harry E. Ward (Chairman), President, Irving Trust Co.; S. Sloan Colt, President, Bankers Trust Co.; W. Randolph Burgess, Vice-Chairman of Board, National City Bank; James G. Blaine, President, Marine Midland Trust Co., and N. Baxter Jackson, First Vice-President, Chemical Bank & Trust Co.

Nominating Committee: William Gage Brady, Jr. (Chairman), President, National City Bank; E. Chester Gersten, President, Public National Bank and Trust Co.; John C. Traphagen, President, Bank of New York; J. Luther Cleveland, Vice-President, Guaranty Trust Co., and Henry C. von Elm, Vice-Chairman of Board, Manufacturers Trust Company.

Committee on Admissions: Alexander C. Nagle (Chairman), Vice-President, First National Bank; Louis S. Brady, Vice-President, Bankers Trust Company; Frederick E. Hasler, Chairman of Board, Continental Bank & Trust Company; Sherrill Smith, Vice-President, Chase National Bank, and Joseph S. Maxwell, Vice-President, New York Trust Company.

Further Tightening of Instalment Credit Would Hurt Middle, Lower Income Groups

Speaking before the 13th Boston Conference on Distribution on Oct. 6, Arthur O. Dietz, President of Commercial Investment Trust Corp. of New York, endorsed the Federal Reserve Board's regulations of instalment credit "as they now stand," but pointed to the danger of so restricting credit terms as to penalize the middle and lower income groups of the population.

Discussing his own company's experience under Regulation W, Mr. Dietz said:

> We have been doing business under Regulation W for more than a month. We have found that, in its present form, it is in accord with sound, constructive business principles; and it is being administered intelligently. The more conservative sales finance companies have long decried any tendency to make down payments too small and to lengthen the maturity dates of instalment paper unduly. The observance of Regulation W will prevent such unsound practices, and should have an educational value that will outlive the life of the Regulation.
>
> However, just because Regulation W, in its present form, has proved workable and even helpful, an unqualified benediction cannot be given to this invasion of the field of business economics. I view with some concern the possibility that it may be amended to step up minimum down payments still further and to shorten more drastically the maximum maturities of instalment paper.
>
> Regulation W can be changed at any time by action of a majority of the Board of Governors of the Federal Reserve System. I do no think that the Board would exercise, arbitrarily, the charter powers contained in the executive order of the President. I believe that it will maintain the policy of holding industry conferences before taking important steps. Nevertheless, business must operate under the hazard of change without prior notice.

Holding it to be a self-evident truth that "it is economically sound and socially desirable that instalment credit be kept available to consumers at all times," Mr. Dietz continued:

> If cash on the barrel-head is to be the only permitted method of payment, only the higher-income groups of the population are going to enjoy the privilege of acquiring needed consumer durable goods. The millions of families in the middle and lower groups cannot, as a rule, buy such products for cash. More drastic restrictions on instalment selling will thus be tantamount to rationing automobiles, radios, and similar goods for the benefit of those in the higher-income brackets.

Citing the Federal Reserve Board's preface to Regulation W, Mr. Dietz questioned that restrictions upon instalment credit would attain any of the Board's three avowed purposes: to restrain inflation, to cut down the demand for consumers' durable goods, and to create a backlog of unsatisfied demand that would help business in the post-war period. He added:

> The output of durable consumer goods already has been cut by priorities on the deliveries of raw materials and direct production curtailment imposed by the Office of Production Management.
>
> The supply of automobiles, radios, and other consumer goods will be cut down so greatly that all those that can be produced will certainly be sold, for cash if not on the instalment plan. Tightening instalment credit terms further, therefore, will not increase the size of the unsatisfied demand for these goods that will be built up during the defense emergency.
>
> All persons who oppose a retrogression in living standards among the lower-income groups, and all who desire greater social and economic equality must oppose further tightening of instalment credit.

Interest on Parana Bonds

The Chase National Bank of New York, announced on Sept. 15 that it has received as special agent funds with which to pay holders of State of Parana (Brazil) 7% external sinking fund consolidated gold bonds due March 15, 1958, 13.325% of the face amount of coupons due March 15, 1939. The payment amounts to $4.66375 for each $35 coupon and $2.331875 for each $17.50 coupon, and is in full payment of all interest claims. Payment of the interest may be obtained at the coupon paying division of the bank, 11 Broad Street, New York.

Sees Creation of a Post-War Economic Order Giving Play to Private Enterprise

Under Secretary of State Sumner Welles declared on Oct. 7 that "the creation of an economic order in the post-war world which will give free play to individual enterprise and at the same time render security to men and women, and provide for the progressive improvement of living standards, is almost as essential to the preservations of free institutions as is the actual winning of the war." Addressing the World Trade dinner of the National Foreign Trade Convention, Mr. Welles added that "the creation of that kind of sound economic order is essential to the attainment of those three great demands of men and women everywhere—freedom, security and peace."

Calling for all possible assistance by organizations to solve the post-war economic problems, Mr. Welles said these problems are of two kinds: those which will present themselves as the immediate aftermath of the war and those involved in the creation of a more permanent economic order.

In the immediate post-war period, Mr. Welles said the task will primarily be one of reconstruction, in which food and material of all kinds will be sorely needed. He added that humanitarian considerations and self-interest will require our cooperation to the fullest extent possible. Serious attention must also be given to the problems of nutrition, he also stated.

Asserting that "the basic problem in establishing a new and better world order is to obtain the application by the nations of the world of sound principles of commercial and economic policy," Mr. Welles said that in his judgment the basic principles which, "should guide the policies of nations in the post-war world have recently been enunciated in the eight-point joint declaration of the President and Mr. Churchill at the historic meeting of the Atlantic." In explaining the point dealing with commercial policy, Mr. Welles said:

> The basic conception is that your government is determined to move toward the creation of conditions under which restrictive and unconscionable tariffs, preferences and discriminations are things of the past; under which no nation should seek to benefit itself at the expense of another; and under which destructive trade warfare shall be replaced by cooperation for the welfare of all nations.
>
> The Atlantic declaration means that every nation has a right to expect that its legitimate trade will not be diverted and throttled by towering tariffs, preferences, discriminations or narrow bilateral practices. Most fortunately we have already done much to put our own commercial policy in order. So long as we adhere and persistently implement the principles and policies which made possible the enactment of the Trade Agreements Act, the United States will not furnish, as it did after the last war, an excuse for trade-destroying and trade-diverting practices.
>
> The purpose so simply set forth in the Atlantic declaration is to promote the economic prosperity of all nations "great or small, victor or vanquished." Given this purpose and the determination to act in accordance with it, the means of attaining this objective will always be found. It is a purpose which does not have its origin primarily in altruistic conceptions. It is inspired by the realization, so painfully forced on us by the experiences of the past and of the present, that in the long run no nation can prosper by itself or at the expense of others, and that no nation can live unto itself alone.

Praises Transit Industry

President Roosevelt on Sept. 27 praised the work of the transit industry in the defense program, in a message of greeting to the 60th annual convention of the American Transit Association at Atlantic City, N. J., which follows:

> Efficient and speedy transportation is a basic necessity in the defense program. I am, therefore, very glad to extend hearty greetings to all who take part in the 60th annual convention of the American Transit Association.
>
> In the coming months there will be great strains put upon our transportation facilities, both in connection with the carrying of cargo and passengers. We must have men and materials where needed, and particularly when needed, so that defense activities may not be impeded.
>
> I know that every branch of our transportation system will cooperate in making this possible, and I want to commend the industry's leaders for their contributions in this respect.

R. J. Graves SMA Director

Appointment of Robert J. Graves as Regional Director of the Surplus Marketing Administration for Northeastern States, with headquarters at Philadelphia, was announced on Sept. 30 by SMA Administrator Roy F. Hendrickson. Mr. Graves will succeed Charles B. Rayner, who was recently appointed Assistant Executive Director of the Economic Defense Board. Mr. Rayner had served as SMA Regional Director for Northeastern States since February, 1941.

A.B.A. Trust Conference

Invitations to attend the Twelfth Mid-Continent Trust Conference of the Trust Division of the American Bankers Association to be held in St. Louis at the Statler Hotel, Nov. 6 and 7, have been sent to members in the conference district by Carl W. Fenninger, President of the Trust Division, who is Vice President of the Provident Trust Co., Philadelphia. This year's conference is expected to attract more than usual interest because it will commemorate the Forty-fifth Anniversary of the Trust Division, which was organized in St. Louis in 1896.

The Corporate Fiduciaries Association of St. Louis and the St. Louis Clearing House Association will act as hosts to this conference. David R. Calhoun, Jr., Vice-President, St. Louis Union Trust Co. is chairman of the Committee on Arrangements. President Fenninger, in his invitation, states that there will be four sessions and a banquet, each carefully planned in the light of today's problems in changing conditions.

OPM Orders Less Autos

The Office of Production Management on Sept. 15 ordered a reduction of 48.4% in December production of passenger automobiles in an effort to conserve materials needed for national defense. The manufacturers will be limited to a production of 204,848 vehicles in December, as compared with 396,823 in December, 1940. Coupled with a 26.5% reduction imposed by the OPM for August, September, October and November, this latest order means a 32.2% curtailment for the first five months of the 1942 model year, which began Aug. 1. For the five-month period ending Dec. 31, 1941 manufacturers are permitted to produce 1,023,217 cars, compared with 1.510.167 units during the same period last year.

At the same time manufacture of light trucks for non-military purposes was curtailed 9% for the four-month period of August-November. This means that production of trucks of less than 1½ tons will be limited to 87,000, compared with 96,000 a year ago.

Fire Prevention Week

President Roosevelt issued on Sept. 3 a proclamation designating the week beginning Oct. 5 as Fire Prevention Week. Urging "public authorities, civic bodies, educators, the press, and the radio to emphasize the dangers attendant upon fires in the present national emergency," the President in his proclamation recommended "to all our citizens their active cooperation in the elimination of fire hazards and their prompt action in every situation threatening loss of life or property by fire."

The President in his proclamation pointed out that "the serious problems of national defense now confronting this country demand the utmost attention to the conservation of our human and physical resources." He added that "the lives of thousands of persons were lost and property damage of more than a quarter of a billion dollars occurred during the year 1940 as a result of avoidable fires in the United States," and he declared that "individual responsibility for protecting human life and safeguarding homes, industries, and public buildings against this grave menace should be impressed upon the entire citizenry."

Municipal Bond Sales in September

New State and municipal bond issues sold during the recent month aggregated $50,789,171. This figure compares with disposals of no more than $45,311,603 in the preceding month and $69,392,652 in September, 1940. The largest operation in the past month was conducted by the Maryland State Roads Commission, which placed an issue of $9,000,000 securities with a syndicate headed by Smith, Barney & Co., New York. The underwriting was highly successful, the bankers having distributed the entire loan before the close of business on the day of the award. The demand was such that a premium of 1 to 1¼ points was being bid for the 1956 maturity. Smith, Barney & Co. reported that interest in the issue was country-wide and that although the large commercial banks were among the principal buyers none of the bonds were sold to insurance companies. It was the first broad distribution of a State or municipal issue in some time, it was said.

Another feature of the market in September was the resumption of bond financing by various local housing authorities. The results of these sales furnished additional evidence of the heavy demand that obtains for these obligations among institutional and other investors.

The issues of $1,000,000 or more sold during September were as follows:

$9,000,000	**Maryland (State of)** bonds, comprising $4,980,000 refunding and $4,020,000 new capital borrowing, were awarded to a syndicate headed by Smith, Barney & Co., New York, on a bid of 100.0099 for a combination of 1¾s, 2s and 2½s, the net interest cost being about 1.85%. The bonds mature serially from 1942 to 1956 incl. and are redeemable as a whole only, at the option of the State Roads Commission, on any date after 30 days' published notice on a descending scale of prices commencing with 105%. The banking group made public re-offering of the bonds at prices to yield from 0.30% to 2%, according to maturity. The operation was an immediate success, the underwriters having placed the entire issue in the hands of investors prior to the close of business on the day of the award.
3,175,242	**Cameron County, Texas,** road refunding bonds carrying interest rates of 3%, 4¼%, 3½%, and 3¾% were placed on the market by an account composed of the Ranson-Davidson Co., San Antonio, and Barcus, Kindred & Co. of Chicago. The bonds mature serially from 1942 to 1970 incl., with a portion of the entire issue being subject to call at the option of the county. Re-offered to yield from 0.50% to 3.60%, according to coupon rate and date of maturity
2,000,000	**Chicago, Ill.,** water works system revenue certificates of indebtedness sold to Harriman Ripley & Co., Inc., New York, and associates, as 2¼s, at 101.939, a basis of about 2.13%. Obligations mature May 1, 1961 and were re-offered at a price of 103⅛, to yield 2.05%.
1,734,000	**Osceola County, Fla.,** 3½% refunding bonds sold to an account headed by Stifel, Nicolaus & Co., Chicago, which took $1,608,000 maturing from 1942 to 1971 incl., at a price of 103.87, a basis of about 3.22%, and $126,000 due from 1942 to 1956 incl., at 103.26, a basis of about 3.06%.
1,500,000	**Portland Water District, Me.,** 1%-2½% and 1%-2¾% refunding bonds sold to a syndicate managed by Phelps, Fenn & Co., Inc., New York. The bonds due in 1963-1964 were re-offered at prices to yield 1.80%, and those due in 1965-1966 were offered to yield 1.85%.
1,338,000	**San Antonio Housing Authority, Texas,** Series A (first issue) housing bonds awarded to an account headed by Graham, Parsons & Co., New York, which took the issue at various interest rates, paying a price of par, the net interest cost being about 2.17%. Maturities are from 1942 to 1961 incl.
1,230,000	**Cuyahoga County, Ohio,** refunding bonds purchased by Braun, Bosworth & Co., Toledo, and associates, on a bid of 100.721 for 1¾s, a basis of about 1.61%. Due semi-annually on April 1 and Oct. 1 from 1944 to 1953 incl
1,000,000	**Baltimore, Md.,** 3½% airport bonds sold at par to the various city sinking funds. Due serially from 1945 to 1954 incl.
1,000,000	**Chicago Sanitary District, Ill.,** sewage treatment construction bonds awarded to a syndicate headed by Halsey, Stuart & Co., Inc., New York, as 2¼s, at 102.029, a basis of about 2.30%. Due July 1, 1961 and optional starting Jan. 1, 1943. The bankers re-offered the bonds at prices to yield from 0.50% to 2.10% to optional date and coupon rate of 2¼% thereafter until redeemed.

Temporary loans negotiated by the States and their subdivisions during September footed up to $53,897,423. The City of New York accounted for $35,000,000 of the month's output, having issued that amount of 0.25% revenue bills. Credit of this nature continues to be available to municipal units at extremely low interest cost.

The Canadian municipal bond market was somewhat active in September due largely to the borrowing of $14,725,000 by the Province of Quebec. The offering consisted of 3½% sinking fund debentures, dated Oct. 1, 1941, due Oct. 1, 1953, and callable on or after Oct. 1, 1951. The underwriting group, headed by A. E. Ames & Co. of Toronto, priced the obligations at 97.50 and accrued interest, yielding over 3.75%. The Quebec issue swelled the total awards for the month to $18,284,000.

No United States Possession financing was negotiated in this country in the recent month.

A comparison is given in the table below of all the various forms of securities placed in September in the last five years:

	1941 $	1940 $	1939 $	1938 $	1937 $
Perm. loans (U. S.)	50,789,171	69,392,652	24,003,498	74,295,414	48,435,338
*Temp. loans (U. S.)	53,897,423	101,128,178	65,967,000	89,225,720	155,634,590
Can. loans (perm.)—					
Placed in Canada	18,284,000	325,316,293	510,100	291,852	207,500
Placed in U. S.	None	None	None	None	3,250,000
Bonds U. S. Possessions	None	3,200,000	None	None	None
General funds bonds (New York City)	None	None	None	None	None
Total	122,970,594	493,037,123	90,480,598	163,812,986	207,527,428

*Includes temporary securities issued by New York City: $35,000,000 in September, 1941; $40,000,000 in September, 1940; $45,000,000 in September, 1939; $66,000,000 in September, 1938 and $39,500,000 in September, 1937.

The number of municipalities emitting permanent bonds and the number of separate issues made during September, 1941, were 302 and 366, respectively. This contrasts with 260 and 293 for August, 1941, and with 242 and 311 for September, 1940.

For comparative purposes we add the following table, showing the aggregate, excluding temporary loans and also Canadian issues, for September and the nine months for a series of years:

	Month of September	For the Nine Months		Month of September	For the Nine Months
1941	$50,789,171	$758,305,847	1928	$66,104,334	$994,840,978
1940	69,392,652	776,526,062	1927	117,571,822	1,178,508,094
1939	24,003,498	903,210,360	1926	136,795,778	1,046,221,618
1938	74,295,414	695,435,546	1925	115,290,336	1,095,486,400
1937	48,435,338	741,681,528	1924	124,336,682	1,138,425,601
1936	158,784,553	872,306,815	1923	56,398,075	765,963,785
1935	148,870,640	902,053,073	1922	99,770,656	918,854,893
1934	40,819,694	682,911,759	1921	88,656,257	754,294,623
1933	38,239,955	336,662,675	1920	49,820,768	489,716,223
1932	64,034,466	658,175,205	1919	7[illegible],839,634	519,669,754
1931	117,083,951	1,140,002,546	1918	24,732,420	238,179,833
1930	80,358,117	1,056,321,325	1917	31,175,017	328,078,924
1929	100,028,167	936,398,760	1916	22,174.179	308,388,101

Issues sold during September were as follows:

Page No.	Name	Rate	Maturity	Amount	Price	Basis
419	Acadia Parish, Sixth Ward and Crowley D. D., La.	2-3	1942-1961	240,000	100.005	2.24
229	Albany, Minn.	--	1942-1961	25,000	------	----
421	Albemarle, N. C. (3 issues)	2	1944-1963	20,000	100.25	1.98
234	Alexandria Hous. Auth., Va.	2½-3¼	1942-1961	133,000	100	2.06
229	Albany, Minn.	--	1942-1961	$25,000	------	----
130	Alton, Ill.	--	---------	100,000	------	----
423	Amarillo, Texas	1½-2	1942-1953	*r*121,000	100.04	1.51
324	Amherst, Mass.	1¼	1942-1971	600,000	100.53	1.21
238	Amherst, N. Y.	1.90	1942-1955	14,000	100.38	1.48
323	Appanoose Co., Iowa	2	---------	59,000	100.52	----
226	Atlanta, Ill.	2¼	10 yrs.	15,000	------	----
327	Ballinger Ind., S. D., Tex.	2¼-2½	1942-1957	30,000	100.21	----
133	Baldwyn, Miss.	3½-3¾	---------	*r*49,000	------	----
419	Baltimore, Md.	3½	1945-1954	1,000,000	------	----
323	Bardwell, Ky. (2 issues)	4	1943-1961	*d*60,000	100	4.00
138	Baylor Co., Texas	3	20 yrs.	75,000	------	----
228	Belding, Mich.	--	1943-1946	5,000	------	----
178	Bellaire, Ohio	1½	1943-1952	15,000	100.19	1.47
138	Bexar Co., Texas	2½	1942-1961	285,000	------	----
327	Bexar Co., Texas	2¾	---------	*r*27,000	------	----
229	Bismarck, Mo.	4½	---------	*r*2,000	------	----
277	Boswell, Ind.	4	1942-1949	4,000	------	----
138	Bradford, Tenn.	4	1942-1974	*r*16,500	------	----
423	Bridgeport, Texas	3½-4	1942-1959	70,000	------	----
35	Brockton, Mass.	1¼	1942-1951	40,000	100.33	1.19
40	Burton Common, S. D. 22, Tex.	3	---------	9,000	------	----
423	Butte Co., S. D.	2	1943-1961	*d*238,000	100	2.00
178	Cameron County, Texas	3	1942-1946	*r*287,242	------	----
178	Cameron County, Texas	3¼	1947-1951	*r*430,000	------	----
178	Cameron County, Texas	3½	1952-1964	*rd*1,458,000	------	----
178	Cameron County, Texas	3¾	1964-1970	*rd*1,000,000	------	----
322	Canyon Co., S. D. 34, Idaho	3	20 yrs.	8,000	100	3.00
322	Carbondale, Ill.	3	1944-1960	65,000	100	3.00
134	Carlsbad, N. Mex.	3-3¾	1942-1966	*d*300,000	------	----
227	Cedar Rapids, Iowa	1½	1946-1960	*d*40,000	100.75	1.42
226	Centralia, Ill.	3	1942-1952	183,000	100.02	2.31
226	Centralia, Ill.	2¼	1953-1971	540,000	100.02	2.31
421	Chapel Hill, N. C.	1¾-2	1944-1952	26,000	100.06	1.82
419	Chariton, Iowa	3	10 yrs.	75,000	100.003	----
233	Charleston, S. C.	2½	1943-1974	*r*445,000	------	----
423	Chattanooga, Tenn.	1½-2	1944-1949	*r*300,000	100.04	1.64
353	Cherokee, Iowa	1½	---------	17,500	101.42	----
423	Channing Ind., S. D., Texas	--	---------	*r*47,900	------	----
322	Chicago, Ill.	2¼	1961	2,000,000	101.93	2.13
34	Chicago San Dist., Ill.	2¼	1961	*d*1,000,000	102.02	2.30
177	Clay County, Iowa	1¼	1947-1950	218,000	101.021	1.12
233	Clemson Agric. College of South Carolina, S. C.	3	1942-1961	110,000	100.57	2.94
233	Clover, S. C.	2¾	---------	16,000	------	----
36	Cochecton, N. Y.	1.90	1942-1966	35,000	100.33	1.87
322	Colo. State Col. of Edu. Colo.	3	1954-1955	*r*17,000	------	----
177	Comstock Township Fractional, S. D., No. 1, Mich.	1	1943-1947	111,000	100.57	0.83
354	Con. Pub. Pow. Dist., Neb.	2¾-3½	1943-1971	*d*575,000	------	----
129	Covington Co., Ala.	2¼	1942-1961	30,000	100.20	2.23
231	Crosby, N. Dak.	4½	---------	45,000	100	4.50
40	Crosbyton, Texas	--	---------	*r*53,000	------	----
133	Custer Co., S. D., 180, Neb.	3	1942-1956	*d*25,000	------	----
135	Cuyahoga Co., Ohio	1¾	1947-1953	*r*1,230,000	100.72	1.61
231	Danbury Twp., S. D., Ohio	2	1942-1950	4,500	100.40	1.92
138	Dawson Co., Texas	3	1942-1950	*r*21,500	------	----
132	Dearborn Twp. S. D. 4, Mich.	2½-3	1942-1961	*rd*103,000	------	----
226	Decatur Housing Au., Ga.	2.10-3¼	1942-1961	98,000	100	2.22
353	De Kalb Co. S. D., Ala	2¼	1942-1959	35,000	100.77	2.16
35	Delton Rural Agric. S. D., Mich.	1¼	1942-1946	15,000	100.04	1.23
354	Depew. N. Y. (2 iss.)	1.60	1942-1946	20,500	------	----
228	De Quincy, La.	3¾-4	1943-1951	12,000	100.50	----
322	DeWitt Co. Twp. H. S. D. 108, Ill.	3	1944-1960	41,000	------	----
36	Dumont, N. J.	4	---------	9,500	100	4.00
423	Durand, Wis.	3½	1944-1967	50,000	100	3.50
37	Durham Co., N. C.	1¼	1944-1948	25,000	100.01	1.47
37	Durham Co., N. C.	1½	1949-1957	76,000	100.01	1.47
325	East Aurora, N. Y.	1.40	1943-1957	100,000	100.20	1.38
132	Ecorse, Mich.	2¼-2½	1943-1963	*rd*216,000	100.004	2.26
130	Effingham Co., Ga.	2	1942-1949	*r*80,000	100	2.00
39	Erie, Pa.	1¼	1942-1956	190,000	100.16	1.23
325	Essex Co., N. J. (5 issues)	1⅛	1942-1965	697,000	100.04	1.12
133	Essex Fells, N. J.	1¼	1942-1951	10,500	100.07	1.23
326	Euclid, Ohio	2¾	1943-1952	*r*364,000	------	----
228	Everett, Mass.	0.75	1942-1946	100,000	100.572	0.64
134	Fair Lawn, N. J. (2 issues)	1.60	1941-1955	24,500	100.05	1.59
130	Farmington, Ill.	--	---------	3,000	------	----
34	Fayette High School Co., Ky.	--	---------	21,000	------	----
423	Fayston, Vt.	3	1942-1961	*r*10,000	100.27	2.97
234	Firwood S. D., Wash.	--	---------	9,000	------	----
226	Flanagan Community H. S. D. 10, Ill.	2½	1942-1959	100,000	------	----
325	Flaxton, N. Dak.	3	1944-1951	4,000	100	3.00
138	Floyd Co., Texas	4	1945-1957	*r*15,000	100	4.00
178	Fork Township, N. C.	2-2¼	1943-1957	*r*15,000	100.105	2.09
423	Fort Bend Co. R. D. 1, Tex.	1½-2¼	1942-1961	*d*50,000	100.03	2.10
226	F. Lauderdale Hous'g Auth.	2½-3¼	1942-1958	97,000	100.005	2.61
129	Fresno Co. S. D., Calif.	1¾	1942-1946	15,000	100.06	1.73
129	Fresno Co. S. D., Calif.	2	1942-1961	140,000	100.52	1.93
417	Gadsden, Ala. (2 issues)	2½	1942-1951	113,000	100.75	2.35
132	Garden City, Mich.	3¾	1945-1969	400,000	100.02	3.74
418	Gary, Ind.	2	1954	55,000	101.58	1.86
418	Gary, Ind.	1	1942	40,000	------	----
423	Georgetown, Texas	2¼-2½	1943-1966	25,000	100.14	2.41
226	Glen, Carbon, Ill.	4	1944-1970	*d*22,000	100	----
419	Goodell, Iowa	2½	1943-1960	9,000	------	----
139	Goshen Co. S. D. 1, Wyo.	3	---------	16,000	100.65	----
226	Granite City Housing Authority, Ill.	2¼-3¼	1942-1961	97,000	100	2.233
354	Greenport, N. Y.	1½	1942-1967	270,000	100.47	1.46
36	Greenville, Miss.	2¼	---------	17,000	100.03	----
36	Greenville, Miss.	2	---------	13,000	100.03	----
328	Greenville, Texas	2	1942-1956	*d*60,000	100.65	1.99
354	Green Township Rural S. D., Ohio	2	1945-1964	20,000	101.18	1.90
233	Gregg S. D. No. 22, S. C.	2½	---------	70,000	100.50	----
354	Hales Corners San. Dist., Wis.	3	1952-1961	47,000	114.308	1.95
137	Hamburg, Pa.	1¼	1942-1956	30,000	100.80	0.98
227	Hammond City Housing shd.	2-3¼	1942-1961	227,000	100	2.131
227	Harlan, Iowa	--	---------	27,500	------	----
82	Harrison & Clinton Twp. S. D. 3, Mich.	2½-3½	---------	*r*57,000	100	----
326	Harrison Village S. D., Ohio	2	1942-1961	32,000	101.27	1.74
420	Hattiesburg, Miss.	2-2½	1942-1971	*r*80,000	100.02	2.32
138	Hemphill Co., Texas (2 issues)	2¾-3	1942-1961	72,000	------	----
257	Henry S. D., 2 La.	3¼	---------	16,000	100.10	----
82	Hermann, S. D., Mo.	2	1944-1960	49,000	100	2.00
423	Hidalgo Co. R. D. 2, Texas	3½-4¼	1943-1971	*r*753,000	------	----
230	High Point Housing Authority, N. C.	2¼-3¼	1942-1961	227,000	100	2.27
36	Highland, Lumberland, Tusten & Deerpark, S. D. 1, N. Y.	1.80	1943-1969	241,825	100.38	1.77
33	High Springs, Fla.	4	1943-1962	40,000	------	----
36	Hildreth, Neb.	3½	1942-1957	*dr*16,000	100	3.50
419	Hollis, Me.	2	1943-1950	15,000	100.13	1.97
133	Hooper S. D., Neb.	2	---------	*r*20,000	101.38	----
229	Holly Township, Minn.	1¾	1943-1946	8,000	102	----
233	Hurst S. D., Texas	4	---------	24,000	------	----
323	Inwood, Iowa	1¾	1943-1949	6,500	101.21	1.52
417	Izard Co., Ark.	--	---------	10,000	------	----
423	Jackson Co. R. D. 2, Texas	2¾	1942-1957	20,000	------	----
323	Jasper, Ind.	3	20 yrs.	120,000	------	----
138	Jasper Co. R. D. 6 Texas	--	---------	90,000	------	----
231	Jeffersob County, Ohic	2	5 yrs.	15,000	------	----
419	Jewell, Iowa	2	1943-1957	*d*24,500	101.008	----
326	Johnstown S. D., Pa.	1½	1942-1951	*r*200,000	100	1.50
420	Kalamazoo Twp., Eastwood W. D., Mich.	--	1942-1948	*d*65,000	------	----
323	Kaplan, La.	4	1942-1952	34,942	------	----
133	Kearney; Neb.	1¾	1961	*d*60,000	101.09	1.51
134	Kearney; N. J.	1.70	1942-1962	312,000	100.57	1.64
257	Kern Co., Calif.	⅞	1942-1946	46,000	100	0.875
233	Kerrville; Texas	--	---------	15,000	------	----
226	Key. West Housing Authority, Florida	2.70-3¼	1942-1958	82,000	100	2.82
230	Kinston Housing Auth., N. C.	2.20-3¼	1942-1961	138,000	100	2.23
327	Lake City, S. C.	3	1942-1945	12,900	100.11	2.96
226	Lakeland Housing Authority. Fla.	2.40-3¼	1942-1958	52,000	100	2.64

Page No.	Name	Rate	Maturity	Amount	Price	Basis
326	Lakewood, Ohio	--	---------	$25,000	------	----
421	Lakota S. D. 66, N. Dak.	--	1943-1961	r57,000	------	----
423	Lamb Co., Texas	4½	---------	31,120	100	4.50
327	Lancaster, S. C.	3	1943-1950	16,500	------	----
133	Laurel, Miss.	2-2¼	1942-1957	r75,000	100.01	2.12
323	Leesville Sew. Dist. 3, La.	3½-3¾	1942-1971	100,000	------	----
324	Livonia & Nankin Twps. S. D. 8, Mich.	--	1943-1956	d25,000	------	----
324	Livonia Twp. S. D. 4, Mich.	--	1942-1946	r46,000	------	----
233	Lockhart, Texas	3½	1951-1964	d40,000	------	----
138	Lone Oak Ind. S. D., Texas	4	---------	21,500	100	4.00
131	Lone Tree S. D., Iowa	1¾	1945-1958	13,800	100.51	1.69
36	Luverne, Minn.	2½	---------	r65,000	100.50	----
133	Luverne, Minn.	--	---------	r6,000	------	----
226	Macon Housing Auth. Ga.	1.80-3¼	1942-1961	389,000	100	2.06
422	Macungie S. D., Pa.	2	---------	42,000	102.46	----
225	Madera, Calif.	2-1¾	1942-1961	80,000	100.01	1.98
36	Madelia, Minn.	1½	1944-1951	10,000	100.30	1.46
227	Madisonville Municipal Housing Commission, Ky.	2½-2¾	1942-1958	38,000	100	2.45
326	Mahoning Co., Ohio	1¼	1943-1952	r411,000	100.08	1.24
132	Mandeville, La.	--	1942-1971	40,000	------	----
353	Manning, Iowa	2⅞	1953-1960	74,000	------	----
81	Mansfield, Conn.	1½	1942-1961	100,000	------	----
41	Maple S. D., Wash.	--	---------	10,000	------	----
137	Marple Twp. S. D., Pa.	1¼	1942-1953	24,000	100.31	1.20
178	Marshall, Mo.	1⅛	1943-1950	d210,000	100.101	1.10
422	Martinsville S. D., Ohio	2	1942-1966	70,000	100.48	----
419	Maryland (State of)	2½	1942-1944	d1,519,000	100.009	1.85
419	Maryland (State of	2	1945-1950	d3,436,000	100.009	1.85
419	Maryland (State of)	1¾	1951-1956	d4,045,000	100.009	1.85
325	Mecklenburg Co., N. C.	1½	1943-1958	44,000	100.11	1.49
420	Medford, Mass.	1¼	1942-1951	80,000	100.93	1.07
228	Midland, Mich.	1	1942-1946	14,600	100.33	0.89
423	Midland, Texas	2-2½	1942-1960	rd100,000	100.11	2.35
39	Millcreek Twp. S. D., Pa.	2½	1944-1960	d34,000	------	----
134	Mineola, N. Y.	1.40	1942-1951	61,000	100.15	1.37
227	Mishawaka, Ind.	1	1942-1948	126,606	100.33	0.92%
353	Mobile, Ala.	4	1969	d100,000	108.008	3.54
136	Moffett, Okla.	--	---------	1,500	------	----
131	Montgomery Co., Kan.	1¼	10 yrs.	13,000	100	1.25
135	Montgomery Twp. Rural S. D., Ohio	--	---------	3,200	------	----
417	Morrilton, Ark.	3¼	1944-1950	9,000	100.42	3.18
323	Mount Erie H. S. S. D., Ill.	--	---------	50,000	------	----
420	Mountain Iron, Minn.	3	1944-1956	r85,000	100	3.00
234	Moxee City, Wash.	--	1943-1961	d35,000	------	----
37	Murfreesboro, N. C.	6	1941-1945	7,500	100	6.00
418	Murphysboro Park Dist., Ill.	4	---------	7,000	------	----
229	Musselshell County S. D. No. 9, Mont.	--	---------	r26,108	------	----
131	Muscatine Co., Iowa	1¼	1950-1952	25,000	100.18	1.23
132	Nankin & Dearborn Twps. S. D. 2, Mich.	2½-4	1942-1964	rd37,500	------	----
130	Nassau Co., Fla.	4	1942-1961	d60,000	100	4.00
133	Nebraska City, Neb.	3½	20 yrs.	d300,000	------	----
420	Nebraska State Board of Agr., Neb.	4	1945-1971	r254,000	100	4.00
323	Neosha Co., Kan.	1½	---------	9,000	100.23	----
228	New Bedford Housing Authority, Mass.	1.90-3¼	1942-1961	277,000	100	1.97
230	New Bern Housing Auth., N. C.	2¼-3¼	1942-1961	196,000	100	2.31
422	New Holland, Ohio	--	1943-1962	15,000	------	----
41	Newport News, Va.	1½	1942-1957	300,000	100.55	1.42
353	Newton, Ill.	2¾	1942-1953	r80,000	------	----
326	North Bend, Ore.	--	---------	r19,000	------	----
354	North Arlington, N. J.	3¾	1942-1959	rd731,000	98.75	3.77
225	North Little Rock Hous. Auth., Ark.	2½-3¼	1942-1958	63,000	100	2.64
418	Northbrook S. D. 28, Ill.	3½	1944-1955	11,000	107.72	2.53
325	Northvale S. D., N. J.	3¾	---------	r30,000	------	----
328	Nueces Co., Texas	2½	---------	10,500	100	2.50
233	Obion County, Tenn.	2	---------	89,000	100.005	----
326	Okmulgee, Okla.	2¼	---------	r68,000	100	2.25
234	Oroville, Wash.	--	---------	15,000	------	----
177	Osceola County, Florida	3½	1942-1971	r1,608,000	103.87	3.22
177	Osceola County, Florida	3½	1942-1956	r87,000	103.26	3.06
177	Osceola County, Florida	3½	1942-1956	r39,000	103.26	3.06
258	Oscoda Township S. D., Mich.	1	1943-1947	30,000	100.425	0.87
419	Owenton, Ky.	3½	1942-1961	dr58,000	101	3.39
354	Paris, Tenn.	--	---------	r120,000	------	----
234	Park City, Utah	--	---------	5,300	------	----
354	Pattonville Sch. Dist., Mo.	1½	---------	15,000	------	----
232	Pawnee Sch. Dist., Okla.	1¾-2¼	1944-1954	32,000	100.05	1.89
131	Pekin, Ill.	1¼	1943-1947	12,600	100	1.25
227	Peoria Housing Auth., Ill.	2½-3¼	1942-1961	816,000	100	1.98
354	Perkins, Okla.	--	1944-1963	30,000	------	----
130	Perry, Ga.	--	---------	30,000	101	----
328	Perryton, Texas (2 issues)	3½-4	1942-1970	rd296,000	------	----
134	Phelps, Seneca, Junius, Lyons and Arcadia S. D. 1, N. Y.	0.80	1942-1951	20,000	100.12	0.78
138	Pine Tree S. D. 7, Texas	1½	1943-1946	r25,000	100	1.50
33	Pitkin Co. S. D. 1, Colo.	3½	1942-1955	15,500	------	----
419	Pittsburg, Kan.	1¼	1942-1951	70,000	100.81	1.09
133	Plattsmouth, Neb.	2¼	1947-1957	r44,000	103.12	1.93
233	Pleasant Hill S. D. 55, S. Dak.	3	1942-1951	3,500	101.00	2.80
227	Polk County, Iowa	0.75	1942-1948	32,000	100.03	0.745
423	Polk Twp. S. D., Pa.	--	1943-1951	r16,000	101.28	2.26
323	Portland, Me.	1¼	1951	r55,000	101.88	1.05
39	Portland, Ore.	1½	1951-1957	350,000	100.04	1.40
39	Portland, Ore.	1¼	1958-1960	150,000	100.04	1.40
228	Portland Water Dist., Me.	1½-2½	1963	r3,000,000	------	----
228	Portland Water Dist., Me.	1½-2½	1964	r4,000,000	------	----
228	Portland, Water Dist., Me.	1-2¾	1954	r4,000,000	------	----
228	Portland, Water Dist., Me.	1-2¾	1966	r4,000,000	------	----
323	Prince George's Co., Md.	1¾	1942-1961	500,000	101.89	1.55
324	Quincy, Mass.	0.50	1942-1946	175,000	100.04	0.48
138	Quitaque Ind. S. D., Texas	3½	1966	rd63,000	------	----
138	Raymondville, Texas	4	1942-1971	r212,000	------	----
229	Redwood Falls, Minn.	1¾	---------	60,000	100.25	----
328	Refugio Co. R. D. 2, Texas	1¾-2¼	1942-1962	200,000	100.12	2.13
136	Republic Rural S. D., Ohio	--	---------	10,000	100	----
232	Reynoldsburg S. D., Ohio	1½	1943-1952	20,000	100.18	1.47
232	Ridley Township S. D., Pa.	2¼	1942-1966	r50,000	100.905	2.17
178	Rochester, New York (2 issues)	0.90	1942-1949	380,000	100.25	0.83
418	Rock Island, Ill.	3½	1951-1961	r116,000	------	----
134	Rockville Centre, N. Y.	1½	1942-1961	225,000	100.52	1.45
232	Rocky River, Ohio	2	1944-1953	44,000	101.13	1.82
139	Rosenberg, Texas	2¼-2¾	---------	50,000	------	----
82	Rotterdam F. D. 2, N. Y.	2.40	---------	5,000	100.06	----
234	Round Rock Independent S. D., Texas	--	---------	44,000	------	----
37	Rowan Co., N. C.	1½	1944-1951	21,000	100.05	1.67
37	Rowan Co., N. C.	1¾	1953-1958	25,000	100.05	1.67
36	St. Louis Park, Minn.	2½	1943-1948	4,800	100	2.50
229	St. Louis Park, Minn.	2½	1942-1944	2,500	------	----
420	St. Louis Park, Minn.	2½	1942-1944	3,000	100	2.50
234	San Antonio Housing Authority, Texas	2¼-3¼	1942-1961	1,338,000	100	2.17
131	Sandcreek Sch. Twp., Ind.	1¼	1942-1954	31,000	100.05	1.24
131	Sandcreek Civil Twp., Ind.	1½	1943-1962	31,000	100.68	1.43
423	San Patricio Co., Texas	3½	1942-1951	12,500	------	----
226	Sarasota Hous. Auth., Fla.	2¾-3¼	1942-1958	21,000	100	2.71
37	Saugerties, N. Y.	2.40	1942-1946	5,990	100.29	2.29
226	Savannah, Ga.	2	1951-1970	125,000	105.73	1.65
326	Shaker Heights, Ohio	1¾	1946-1955	rd70,000	101.61	1.41
40	Shelby Co., Texas (2 issues)	--	---------	30,000	------	----
328	Shorewood S. D. 4, Wis.	1⅜	1956	r85,000	100.13	1.36
34	Sioux City Ind. S. D., Iowa	0.75	1943-1945	20,000	100.12	0.71
234	Skagit Co., Wash.	--	1943-1961	d125,000	------	----
234	Skagit Co. Public Utility Dist., Wash.	3¼-3½	1943-1961	d125,000	------	----
34	Somers Con. S. D., Iowa	1½	---------	16,500	100.56	----
258	Southfield Twp. S. D. 11, Mich.	2½-3	1942-1967	dr126,000	100	----
177	South Haven, Mich.	2½	1943-1947	d53,000	103.539	1.58
324	Sparks, Nev.	3	---------	11,612	100.89	----
227	Spencer, Iowa	3½	1942-1961	d130,000	------	----
227	Springfield Hous. Auth., Ill.	2½-3¼	1942-1961	346,000	100	1.98
82	Springport, Fleming, Aurelius, Ledyard, Scipio S. D. 1, N. Y.	1.90	1942-1951	25,000	100.10	1.88
229	Starkville, Miss.	2¾	1942-1951	r7,500	------	----
420	Starkville, Miss. (2 issues)	3¼	1942-1951	$4,500	100	3.25
136	Steubenville, Ohio	1½	1943-1952	16,500	100.95	1.36
326	Steubenville, Ohio	0.75	1943	70,000	100.21	0.64
82	Storden, Minn.	1¾	1942-1951	10,000	100.71	1.60
423	Stowe, Vt.	1¾	1942-1956	r35,000	100.27	1.71
178	Summit County, Ohio	1¼	1943-1947	r440,000	100.62	1.08
328	Taft, Texas	2¾	---------	20,000	------	----
234	Texarkana Housing Authority, Texas	2¼-3¼	1942-1961	132,000	100	2.33
139	Texas (State of) (6 sch. iss.)	--	---------	44,800	------	----
137	The Dalles, Ore.	1¼	1943-1947	10,000	100.35	1.16
137	The Dalles, Ore.	2	1943-1946	18,000	100	2.00
139	Thornton Ind. S. D., Texas	4	1942-1968	9,400	100	4.00
326	Toledo, Ohio	3	2 yrs.	10,000	------	----
328	Tom Green Co., Texas	2-2¼	1942-1952	25,000	100.18	----
354	Tracy, Minn.	1¾	1942-1956	33,000	101.66	1.54
139	Trent Ind. S. D., Texas	4	---------	r25,000	100	4.00
36	Tularosa, N. Mex.	4	1942-1954	15,000	------	----
177	Union County, Indiana	1¼	---------	25,000	100.64	----
227	Union County, Ill.	3	1943-1961	55,000	100	----
227	Union Co. Com. H. S. D. 84, Ill.	3	1943-1961	55,000	100	3.00
417	University of Colo., Colo.	2¼-2¾	1942-1958	r416,000	100	----
417	University of Colo., Colo.	--	---------	r139,000	------	----
134	Utica, N. Y. (7 issues)	1	1942-1961	740,987	100.55	0.89
225	Ventura, Calif.	1¾	1942-1960	95,000	101.16	1.62
325	Vineland, N. J.	1½	1942-1956	99,000	101.28	1.33
227	Wabash County, Ind.	2½	1942-1952	49,000	107.119	1.10
229	Wakefield, Neb.	2½	1942-1946	rd25,000	------	----
328	Waller Co., Texas	3½	1952-1957	r18,000	------	----
324	Walthill, Neb. (2 issues)	2	1943-1950	24,000	100.04	----
37	Warren Co., N. Y. (2 issues)	1.10	1942-1954	74,000	100.11	1.08
81	Washington S. D. 6, Ariz.	2½	1948-1953	24,000	100.02	2.37
81	Washington S. D. 6, Ariz.	2¼	1954-1957	16,000	100.02	2.37
34	West Salem, Ill.	4	1945-1957	13,000	------	----
34	West Salem, Ill.	4¼	1945-1971	d55,000	------	----
178	West Orange, N. J.	1.90	1942-1966	72,000	100.091	1.89
81	West Union, Iowa	1¾	---------	49,000	101.32	----
81	West Union, Iowa	1½	---------	6,000	100	1.50
81	West Union, Iowa	5	---------	15,000	100	5.00
328	West Virginia (State of)	1¼-4	1942-1966	500,000	100.001	1.28
177	Wichita, Kan. (2 issues)	1¼	1942-1951	307,139	101.31	1.01
325	Williamston, N. C. (2 iss.)	3¼-3½	1958-1965	r82,500	100.01	3.47
420	Winona, Mo.	4	1944-1961	d24,000	100.44	3.94
138	Winthrop College (The South Carolina College for Women), S. C.	2¾	1943-1962	300,000	100.53	2.70
132	Woburn, Mass. (2 issues)	1¼	1942-1951	52,000	100.49	1.15
232	Wolf Creek Hwy. W. D., Ore.	3	1946-1960	15,000	100.51	2.95
257	Woodbury County, Iowa	1	1943-1950	175,000	-00.229	0.97
42	Worland, Wyo.	4	10 yrs.	d86,000	100	4.00
326	Worthington, Ohio	1	1942-1951	26,300	100.16	1.47
177	Wyandotte Township, Kansas	4	1944-1971	d175,000	------	----
328	Yakima Co. W. D. 4, Wash.	--	1943-1952	24,000	------	----
136	Youngstown, Ohio (2 issues)	4	1942-1947	36,000	109.35	1.26
136	Youngstown, Ohio	3	1942-1946	5,000	------	----

Total bond sales for September (302 municipalities, covering 366 separate issues) ---------- k$50,789,171

d Optional. *k* Not including $53,897,423 temporary loans or funds obtained by States and municipalities from agencies of the Federal Government. *r* Refunding bonds.

The following items included in our totals for previous months should be eliminated from same. Page number of the Chronicle is given for reference purposes.

Page No.	Name	Rate	Maturity	Amount	Price	Basis
418	Cobb Co., Ga. (May)	--	---------	$150,000	------	----
133	Tracy, Minn. (July)	--	---------	33,000	------	----

We have also learned of the following *additional* sales for previous months:

Page No.	Name	Rate	Maturity	Amount	Price	Basis
353	Alexandria School City, Ind.	1¾	1945-1959	$7,500	101	1.65
138	Dallas Co., Texas	1½	1944-1949	r180,000	100	1.50
422	Dresden, Ohio	1¾	1942-1946	12,881	100	1.75
132	Ecorse Twp. S. D. 11, Mich.	3½	1943-1967	rd803,000	100	3.50
321	Fordyce, Ark. (3 issues)	3	1945-1959	d45,000	101.06	----
132	Grosse Pointe Woods, Mich. (3 issues)	2	1942-1945	16,000	100.57	1.79
132	Grosse Pointe Woods, Mich. (3 issues)	--	1942-1945	52,000	------	----
420	Kalkaska, Mich. (August)	3	1942-1956	20,000	104.59	2.27
82	Le Seuer, Minn.	1½	1942-1947	r11,000	100.28	1.42
82	Le Seuer, Minn.	1½	1942-1947	7,000	100.28	1.42
138	McLennan Co., Texas	1¼	1942-1951	d150,000	100.05	1.23
38	Maple Heights S. D., Ohio (July)	3¾	1942-1949	r16,300	100	3.75
34	Monroe Co., Iowa	1¼	---------	12,000	100.01	----
39	Muncy, Pa.	3¼	1942-1951	12,000	109.50	1.62
38	New Boston, Ohio	2¼	1943-1951	60,000	100.84	2.10
353	Newton, Ill. (June)	2¾	1942-1953	d80,000	100	2.75
38	Okfuskee Co. Union S. D. 29, Okla.	1¾-2	---------	5,000	100.01	----
137	Olyphant, Pa.	4½	1942-1948	35,000	103	3.70
41	Port of Pasco, Wash.	2-3	1943-1961	d60,000	100.02	2.14
133	Redford Twp., Mich. (July)	2½-3½	1944-1964	rd87,000	100.03	2.88
40	Redland Common S. D. 25, Tex.	3½	1942-1961	r9,000	------	----
36	Richland Co. S. D. 12, Mont.	2¾	---------	r5,200	100	2.75
36	Ridgefield, N. J. (2 issues)	1.70	1942-1951	41,800	100.20	1.66
423	Skagit Co. S. D. 26, Wash. (Aug.)	3	---------	2,500	100	3.00
39	South Lebanon Twp. S. D., Pa.	1½	1942-1956	30,000	101.71	1.27
232	State College Water Authority, Pa. (July)	2¼-2½	1944-1977	d585,000	------	----
35	Topeka S. D., Kan.	1	1942-1951	197,000	100.23	0.95
81	Winfield, Kan.	1⅛	---------	90,000	100.40	----
258	Winnett, Mont. (June)	--	---------	r34,500	------	----

All of the above sales (unless otherwise indicated) are for August. These additional August issues will make the total sales (not including temporary or RFC and PWA loans) for that month $45,311,603.

DEBENTURES SOLD BY CANADIAN MUNICIPALITIES IN SEPTEMBER

Page No.	Name	Rate	Maturity	Amount	Price	Basis
234	Brantford, Ont.	2½	1942-1946	$15,000	100	2.50
328	Cap de la Madeleine S. D., Que.	4-4½	1943-1962	85,000	------	----
328	Charlottetown, P, E. I.	4½	1961	51,000	103.75	4.25
234	Digby, N. S.	4	1942-1961	23,000	100.61	3.93
234	East Missouri Township, Ont.	4	1942-1961	5,000	103.30	3.62
423	Greater Vancouver Water Dist. B. C.	3-3¾	1942-1967	610,000	------	----
139	Mersea Twp., Ont.	3½	1942-1956	36,000	101.17	3.33
328	North York Twp., Ont. (2 iss.)	3-3½	1942-1950	350,000	97.52	3.75
139	Prince Edward Island (Province of)	4	1954	2,250,000	------	----
328	Quebec (Province of)	3½	1953	rd14,725,000	------	----
42	Salaberry de Valleyfield, Que.	4	1941-1960	43,000	103.93	3.58
139	Senneville, Que.	3½	1943-1971	38,000	96.87	3.76
139	Sidney, N. S.	4	1942-1951	10,000	100.70	3.86
42	Valleyfield, Que.	4	1960	43,000	100.93	3.93

Total long-term Canadian ebntures sold in Sept. ---- $18,284,000

OPA Fixes Lumber Prices

On Sept. 10 Federal Price Administrator Henderson ordered, effective Oct. 1, maximum prices for Douglas fir lumber. The schedule applies to all types of Douglas fir, Mr. Henderson explained, because the prices of upper grades had reach "exporbitant levels" and would probably have affected the price structure of common grades and, in turn, the general level of all lumber prices. Mr. Henderson estimated, the prices established in the Douglas fir lumber schedule should save the defense program and civilian users approximately $5,000,000 over the next 12 months.

A comparison of the top prices established in the schedule with recent market quotations on three of the more important grades of "uppers" follows (per M bd., f.o.b. mill):

Grade	Ceiling	Recent Prices
Grade B and better flooring vertical grain	$60	$75 and up
Grade B and better drop siding	$50	$58 to $60
Grade B and better ceiling (1x4)	$45	$52 to $55

Mr. Henderson also said that to impose a ceiling on Southern pine and leave Douglas fir prices unrestricted would disrupt the lumber markets very seriously.

A price ceiling was imposed on Southern pine on Aug. 16, at which time it was made known that a ceiling would also be set on Douglas fir (see isssue of Aug. 23, page 1072).

NYSE Governors Resign

Emil Schram, President of the New York Stock Exchange, announced on Sept. 30 the resignation of Curtis E. Calder and Roswell Magill as Public Governors of the Exchange. Mr. Calder has served since June 14, 1939, and Mr. Magill since July 24, 1940. Prior to his appointment as a Public Governor, Mr. Magill served as Chairman of the Public Examining Board on customer protection. According to the announcement of the Exchange both men indicated, some months ago, their desire to retire, but withheld their resignation until the completion of the reorganization of the Exchange. Mr. Calder and Mr. Magill served as members of the Special Committee which, after extensive study, recommended the plan of reorganization which became effective Sept. 30. The revised Constitution of the Exchange provides for the appointment of two Public Governors. With the resignation of Mr. Calder and Mr. Magill, two vacancies now exist and will be filled by Mr. Schram as promptly as possible.

Cochran Goes to China

H. Merle Cochran, Foreign Service Officer and Technical Assistant to Secretary of the Treasury Morgenthau, left San Francisco by airplane on Sept. 28, en route to Hong Kong. Traveling with Mr. Cochran will be Sir Otto Niemeyer of the Bank of England. The Treasury Department in making this known also stated:

> Mr. Cochran will collaborate with A. Manuel Fox, American economist and member of the Stabilization Board of China, as well as with other American, Chinese and British officials concerning the inter-related financial and economic problems of the Stabilization Fund, the Chinese Foreign Exchange Control and the United States Freezing Control.

The stabilization agreement between the United States and China was signed in Washington on April 25 (noted in these columns May 3, page 2777) and the appointment of Mr. Fox was reported in our issue of May 31, page 3437.

Member Bank Condition Statement

In the following will be found the comments of the Board of Governors of the Federal Reserve System respecting the returns of the entire body of reporting member banks of the Federal Reserve System for the week ended with the close of business Oct. 1.

The condition statement of weekly reporting member banks in 101 leading cities shows the following principal changes for the week ended October 1: An increase of $58,000,000 in commercial, industrial and agricultural loans, decreases of $96,000,000 in holdings of United States Government obligations and $113,000,000 in demand deposits-adjusted, and an increase of $117,000,000 in deposits credited to domestic banks.

Commercial, industrial and agricultural loans increased $32,000,000 in New York City and $58,000,000 at all reporting member banks.

Holdings of United States Government direct and guaranteed obligations declined $68,000,000 in the Chicago district, $38,000,000 in New York City, and $96,000,000 at all reporting member banks. Holdings of "Other securities" increased $29,000,000 in New York City and $31,000,000 at all reporting member banks.

Demand deposits-adjusted declined $144,000,000 in New York City, $25,000,000 in the Philadelphia district, $21,000,000 in the Chicago district, and $113,000,000 at all reporting member banks, and increased $42,000,000 in the New York district outside of New York City, $23,000,000 in the Boston district, and $18,000,000 in the San Francisco district.

Deposits credited to domestic banks increased $72,000,000 in New York City and $117,000,000 at all reporting member banks.

A summary of the principal assets and liabilities of reporting member banks together with changes for the week and the year ended Oct. 1, 1941, follows:

	Oct. 1, 1941	Increase (+) or Decrease (—) Sept. 24, 1901	Increase (+) or Decrease (—) Oct. 2, 1940
Assets—	$	$	$
Loans and Investments—total	29,125,000,000	+5,000,000	+4,796,000,000
Loans—total	11,024,000,000	+70,000,000	+2,239,000,000
Commercial, industrial and agricultural loans	6,447,000,000	+58,000,000	+1,817,000,000
Open market paper	397,000,000	+4,000,000	+100,000,000
Loans to brokers and dealers in securities	494,000,000	+13,000,000	+48,000,000
Other loans for purchasing or carrying securities	428,000,000	—9,000,000	—32,000,000
Real estate loans	1,257,000,000	—1,000,000	+37,000,000
Loans to banks	39,000,000	—1,000,000	—2,000,000
Other loans	1,962,000,000	+6,000,000	+271,000,000
Treasury bills	785,000,000	—29,000,000	+157,000,000
Treasury notes	2,280,000,000	—14,000,000	+168,000,000
United States bonds	7,917,000,000	—45,000,000	+1,377,000,000
Obligations guaranteed by U. S. Gov't.	3,319,000,000	—8,000,000	+737,000,000
Other securities	3,800,000,000	+31,000,000	+118,000,000
Reserve with Federal Reserve banks	10,792,000,000	—38,000,000	—854,000,000
Cash in vault	537,000,000	—22,000,000	+52,000,000
Balances with domestic banks	3,596,000,000	+4,000,000	+289,000,000
Liabilities—			
Demand deposits—adjusted	24,277,000,000	—113,000,000	+3,125,000,000
Time deposits	5,429,000,000	—2,000,000	+70,000,000
United States Government deposits	599,000,000	—28,000,000	+69,000,000
Interbanks deposits:			
Domestic banks	9,669,000,000	+117,000,000	+935,000,000
Foreign banks	624,000,000	—2,000,000	—54,000,000
Borrowings	1,000,000	---------	---------

President in Special Message Requests Congress to Permit Arming of Ships

President Roosevelt, in a special message to Congress on Oct. 9, asked for repeal of that section (6) of the Neutrality Act of 1939 which prohibits the arming of American-flag ships engaged in foreign commerce. Declaring that recent sinkings make the matter one of "immediate necessity and extreme urgency." the President recommended that Congress "with all speed, strike the prohibition against arming our ships from the statute books." While saying that the "arming of merchant ships does not guarantee their safety," he asserted that "it most certainly adds to their safety," indicating how the ships will be better protected against aircraft, raiders and submarines. The President pointed out that, although there are "other crippling provisions" in the Neutrality Act, he is suggesting repeal of the arming prohibition because of "anxiety for the safety of our crews and of the almost priceless goods that are within the holds of our ships."

Declaring that "it is time for this country to stop playing into Hitler's hands. and to unshackle our own," Mr. Roosevelt expressed the hope that Congress will give early attention to the "correction" of other phases of the Act, particularly that which is keeping American cargo ships "out of the ports of our own friends." He explained that "as we approach full production requiring the use of more ships now being built it will be increasingly necessary to deliver American goods under the American flag." The President further declared that the true intent of the Lease-Lend Act will be carried out if Congress makes it possible for the United States "to help to deliver the articles to those who are in a position effectively to use them." The present Neutrality Act prohibits American cargo vessels from traveling to belligerent ports or in combat zones designated by the President.

The President stated that the repeal or modification of the provisions he suggests "will not leave the United States any less neutral than we are today, but will make it possible for us to defend the Americas far more successfully, and to give aid far more effectively against the tremendous forces now marching toward conquest of the world."

The President declared that "it is our duty, as never before, to extend more and more assistance and ever more swiftly to Britain, to Russia, to all peoples and individuals fighting slavery. We must do this without fear or favor. "The ultimate fate of the Western Hemisphere" he added "lies in the balance."

Saying that "Hitler has offered a challenge which we as Americans cannot and will not tolerate." the President concluded:

> We will not let Hitler prescribe the waters of the world on which our ships may travel. The American flag is not going to be driven from the seas either by his submarines, his airplanes, or his threats.
>
> We cannot permit the affirmative defense of our rights to be annulled and diluted by sections of the neutrality act which have no realism in the light of the unscrupulous ambition of madmen. We Americans have determined our course.
>
> We intend to maintain the security and the integrity and the honor of country.
>
> We intend to maintain the policy of protecting the freedom of the seas against domination by any foreign Power which has become crazed with a desire to control the world. We shall do so with all our strength and all our heart and all our mind.

In the early part of his message Mr. Roosevelt took occasion to point out that the revisions he was suggesting "do not call for a declaration of war any more than the Lease-Lend Act called for a declaration of war," adding that "this is a matter of essential defense of American rights."

The text of the President's message follows:

To the Congress of the United States:

It is obvious to all of us that world conditions have changed violently since the first American Neutrality Act of 1935. The Neutrality Act of 1939 was passed at a time when the true magnitude of the Nazi attempt to dominate the world was visualized by few persons.

We heard it said, indeed, that this new European war was not a real war, and that the contending armies would remain behind their impregnable fortifications and never really fight. In this atmosphere the Neutrality Act seemed reasonable. But so did the Maginot line.

Since then—in these past two tragic years — war has spread from continent to continent; very many nations have been conquered and enslaved; great cities have been laid in ruins; millions of human beings have been killed, soldiers and sailors and civilians alike. Never before has such widespread devastation been visited upon God's earth and God's children.

The pattern of the future—the future as Hitler seeks to shape it —is now as clear and as ominous as the headlines of today's newspapers.

Through these years of war, we Americans have never been neutral in thought. We have never been indifferent to the fate of Hitler's victims. And, increasingly, we have become aware of the peril to ourselves, to our democratic traditions and institutions, to our country, and to our hemisphere.

We have known what victory for the aggressors would mean to us. Therefore, the American people, through the Congress, have taken important and costly steps to give great aid to those nations actively fighting against Nazi-Fascist domination.

We know that we could not defend ourselves in Long Island Sound or in San Francisco Bay. That would be too late. It is the American policy to defend ourselves wherever such defense becomes necessary under the complex conditions of modern warfare.

Therefore, it has become necessary that this Government should not be handicapped in carrying out the clearly announced policy of the Congress and of the people. We must face the truth that the Neutrality Act requires a complete reconsideration in the light of known facts.

The revisions which I suggest do not call for a declaration of war any more than the Lease-Lend Act called for a declaration of war. This is a matter of essential defense of American rights.

In the Neutrality Act are various crippling provisions. The repeal or modification of these provisions will not leave the United States any less neutral than we are today, but will make it possible for us to defend the Americas far more successfully and to give aid far more effectively against the tremendous forces now marching toward conquest of the world.

Under the Neutrality Act we established certain areas as zones of combat into which no American-flag ships could pro-

(Continued on Page 628)

Lumber Manufacturing Statistics During Four Weeks Period Ended Sept 27, 1941

We give herewith data on identical mills for four weeks ended Sept. 27, 1941 as reported by the National Lumber Manufacturers Association.

An average of 470 mills report as follows to the National Lumber Trade Barometer for the four weeks ended Sept. 27, 1941:

	Production		Shipments		Orders	
(In 1,000 feet)	1941	1940	1941	1940	1941	1940
Softwoods	1,077,611	994,893	1,073,439	1,091,914	959,998	1,197,868
Hardwoods	43,617	41,885	50,635	45,046	42,729	46,429
Total Lumber	1,121,228	1,036,778	1,124,074	1,136,960	1,002,727	1,244,297

Production during the four weeks ended Sept. 27, 1941, as reported by these mills was 8% above that of corresponding weeks of 1940. Softwood production in 1941 was 8% above that of the same weeks of 1940 and 17% above the records of comparable mills during the same period of 1938. Hardwood output was 4% above production of the 1940 period.

Shipments during the four weeks ended Sept. 27, 1941, were 1% below those of corresponding weeks of 1940, softwoods showing a loss of 2% and hardwoods, a gain of 12%.

Orders received during the four weeks ended Sept. 27, 1941, were 19% below those of corresponding weeks of 1940. Softwood orders in 1941 were 20% below those of similar period of 1940 and 24% below the same weeks of 1939. Hardwood orders showed a loss of 8% as compared with corresponding weeks of 1940.

On Sept. 27, 1941, gross stocks as reported by 395 softwood mills were 2,991,164,000 feet, the equivalent of 85 days' average production (three year average 1938-39-40) as compared with 3,477,923,000 feet on Sept. 28, 1940, the equivalent of 100 days' average production.

On Spt. 27, 1941, unfilled orders as reported by 392 softwood mills were 1,136,542,000 feet, the equivalent of 33 days' average production, compared with 1,118,718,000 feet, on Sept. 28, 1940, the equivalent of 33 days' average production.

September Steel Shipments Set Peak for Month

Shipments of finished steel products by subsidiary companies of the United States Steel Corporation for the month of September, 1941 amounted to 1,664,227 net tons.

The September shipments compare with 1,753,665 net tons in the preceding month (August) a decrease of 89,438 net tons, and with 1,392,838 net tons in the corresponding month in 1940 (September) an increase of 271,389 net tons. For the year 1941 to date, shipments were 15,137,436 net tons compared with 10,433,727 net tons in the comparable period of 1940, an increase of 4,703,709 net tons.

The September total is the highest for the month on record. Previous September high was in September, 1920, when the total was 1,421,625 net tons. The total for the nine months period is also the greatest on record. Previous high was 13,450,298 net tons in 1929.

In the table below we list the figures by months for various periods since January, 1929:

	1941	1940	1939	1938	1932	1929
January	1,682,454	1,145,592	870,866	570,264	464,524	1,364,801
February	1,548,451	1,009,256	747,427	522,395	449,418	1,388,407
March	1,720,366	931,905	845,108	627,047	422,117	1,605,510
April	1,687,674	907,904	771,752	550,551	429,965	1,617,302
May	1,745,295	1,084,057	795,689	509,811	369,882	1,701,874
June	1,668,637	1,209,684	607,562	524,994	355,575	1,529,241
July	1,666,667	1,296,887	745,364	484,611	294,764	1,480,008
August	1,753,665	1,455,604	885,636	615,521	316,417	1,500,281
September	1,664,227	1,392,838	1,086,683	635,645	340,610	1,262,874
October	------	1,572,408	1,345,855	730,312	336,726	1,333,385
November	------	1,425,352	1,406,205	749,328	299,076	1,110,050
December	------	1,544,623	1,443,969	765,868	250,008	931,744
Total by mos.	------	14,976,110	11,752,116	7,286,347	4,329,082	16,825,477
Yearly adjust.	------	37,639	*44,865	29,159	*5,237	*12,827
Total	------	15,013,749	11,707,251	7,315,506	4,323,845	16,812,650

*Decrease.

Note—The monthly shipments as currently reported during the year 1940, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

Hotel Sales Up in August

The most encouraging feature disclosed by the analysis of the hotel business for the month of August was the increase of 5% in room rates over a year ago, according to the October bulletin published by Horwath & Horwath, New York hotel accountants. The review goes on to say:

> This is the sharpest improvement for any month in more than four years and is 3 points above the average gain for the eight months of this year. It is gratifying to have more and more hotels report that they have raised their rates and that, for the most part, the public has taken it calmly. However, all the possibilities in this direction have by no means been exhausted and operators will have to concentrate on this point, as the average occupancy reached 68% in August and the countrywide average seldom goes about 70%. This is a gain of 4 points over last August and is the highest occupancy ever recorded for this month since our trend of business was started.
>
> The increase in food and beverage sales also exceeds the average for the year to date, and with the exception of an increase of 17% in July, is the largest gain for a month since the early part of 1937.

AUGUST, 1941, COMPARED WITH AUGUST, 1940

	Sales Inc. or Dec. Total*	Rooms	Total Rest'n't	Food	Beverages	Occupancy Aug. 1941	Occupancy Aug. 1940	Room Rate† Inc. or Dec.
New York City	— 2%	— 6%	+ 8%	+ 8%	+ 8%	63%	66%	— 2%
Chicago	+13	+13	+13	+14	+13	72%	66%	+ 4
Philadelphia	+23	+20	+31	+30	+33	57	46	— 4
Washington	+35	+30	+40	+36	+43	73	61	+10
Cleveland	+ 9	+10	+ 7	+10	+ 5	73	69	+ 4
Detroit	+12	+12	+12	+ 9	+18	67	60	+ 1
Pacific Coast	+12	+ 7	+17	+21	+13	76	75	+ 4
Texas	+16	+15	+16	+18	+ 8	64	57	+ 4
All Others	+15	+14	+16	+15	+16	66	62	+ 7
Total	+13%	+12%	+15%	+15%	+14%	68%	64%	+ 5%
Year to Date	+ 8%	+ 7%	+10%	+ 9%	+10%	68%	64%	+ 2%

† The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. * Rooms and restaurant only.

Market Value of Bonds on N.Y.S.E.

As of the close of business Sept. 30, 1941, there were 1,275 bond issues aggregating $56,386,500,477 par value listed on the New York Stock Exchange with a total market value of $53,418,055,935, the Stock Exchange announced on Oct. 9. This compares with 1,272 bond issues aggregating $56,100,967,060 par value listed on the Exchange on Aug. 30 with a total market value of $53,216,867,646.

In the following tables listed bonds are classified by governmental and industrial groups with the aggregate market value and average price for each:

Group—	Sept. 30, 1941 Market Value $	Sept. 30, 1941 Average Price $	Aug. 30, 1941 Market Value $	Aug. 30, 1941 Average Price $
U. S. Government (incl. States, Cities, etc.)	38,013,285,841	108.55	38,109,202,544	108.83
U. S. companies:				
Amusemuets	42,122,224	99.14	42,023,746	98.91
Automobile	14,151,082	104.34	14,184,897	104.42
Building	20,648,976	89.76	20,683,135	89.13
Business and office equipment	15,300,000	102.00	*	*
Chemical	74,860,125	97.35	60,206,125	95.26
Electrical equipment	16,143,750	107.63	16,275,000	108.50
Financial	50,340,061	102.66	50,333,502	102.63
Food	211,731,644	105.48	211,799,435	105.03
Land and realty	9,540,824	66.63	10,098,728	65.42
Machinery and metals	50,222,758	100.19	49,919,042	99.59
Mining (excluding iron)	92,668,570	57.01	90,980,357	55.97
Paper and publishing	60,165,292	101.83	61,263,134	101.88
Petroleum	597,631,987	104.31	597,862,420	104.32
Railroad	6,423,318,544	61.21	6,548,813,896	62.38
Retail merchandising	12,261,687	79.80	12,482,507	81.24
Rubber	74,616,988	100.61	74,377,425	100.29
Ship building and operating	21,163,305	92.25	21,794,085	95.00
Shipping services	17,486,600	62.92	17,161,389	61.75
Steel, iron and coke	566,968,372	101.56	567,349,022	101.61
Textiles	26,673,970	100.48	26,128,580	98.43
Tobacco	41,079,236	122.00	41,065,633	121.96
Utilities:				
Gas and electric (operating)	3,187,440,942	108.45	3,182,992,443	108.29
Gas and electric (holding)	117,454,375	105.81	65,920,000	104.63
Communications	1,312,810,275	108.91	1,064,499,658	108.30
Miscellaneous utilities	81,916,256	55.41	80,381,504	54.37
U. S. companies operating abroad	102,916,082	53.79	94,705,542	49.48
Miscellaneous business	32,413,750	106.27	32,358,750	106.09
Total U. S. companies	13,274,047,675	77.30	13,055,659,955	77.34
Foreign government	1,349,557,409	46.57	1,292,617,412	44.51
Foreign companies	781,165,010	60.24	759,387,735	58.56
All listed bonds	53,418,055,935	94.74	53,216,867,646	94.86

*There were no bonds listed under "Business and Office Equipment" for Aug. 31 due to the redemption by Remington Rand, Inc., of all of its outstanding 20-year 4¼% debentures due March 1, 1956. During September, however, the company's new debentures, 3½% due July 1, 1956, were listed on the Stock Exchange.

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

	Market Value	Average Price		Market Value	Average Price
1939—			1940—		
Aug. 31	$47,297,289,186	$90.59	Sept. 30	$49,643,200,867	92.08
Sept. 30	46,430,860,982	88.50	Oct. 31	50,438,409,964	92.84
Oct. 31	47,621,245,885	90.79	Nov. 30	50,755,887,399	93.58
Nov. 30	47,839,377,778	91.24	Dec. 31	50,831,283,315	93.84
Dec. 30	49,919,813,386	92.33	1941—		
1940—			Jan. 31	50,374,446,095	93.05
Jan. 31	49,678,905,641	92.02	Feb. 28	50,277,456,796	92.72
Feb. 29	49,605,261,998	91.97	Mar. 31	52,252,053,607	93.73
Mar. 30	50,006,387,149	92.86	April 30	52,518,036,554	94.32
April 30	49,611,937,544	92.48	May 30	52,321,710,056	94.22
May 31	46,936,861,020	87.87	June 30	53,237,234,699	94.80
June 29	47,665,777,410	90.14	July 31	53,259,696,637	95.04
July 31	48,601,638,211	90.96	Aug. 30	53,216,867,646	94.86
Aug. 31	49,238,728,732	91.33	Sept. 30	53,418,055,935	94.74

August Chain Store Sales Total $370,832,667

According to a compilation made by Merrill Lynch, Pierce, Fenner & Beane, 29 chain store companies, including two mail order companies, reported an increase in sales of 29.05% for August, 1941, over August, 1940. Excluding the two mail order companies, 27 other chain store companies reported an increase in sales of 21.23%.

Sales for the 29 companies showed an increase of 19.84% for the eight months of 1941 over the eight months of 1940. Excluding the two mail order companies, 27 other chains reported an increase in sales of 15.13%.

Period	—Month of August— 1941	1940	Increase %	—8 Mos. End. Aug. 30— 1941	1940	Increase %
5 Grocery chains	$73,405,003	$60,204,522	21.93	$585,090,593	$512,956,419	14.06
11 5 & 10c. chains	87,342,295	75,304,964	15.98	611,782,074	544,583,656	12.34
6 Apparel chains	44,154,647	33,389,196	32.24	293,147,727	241,360,082	21.46
2 Drug chains	9,565,193	8,270,864	15.65	71,562,960	63,609,718	12.50
2 Shoe chains	4,011,691	3,141,457	27.70	30,618,594	25,392,636	20.58
1 Auto supply	6,835,000	5,541,000	23.3	43,650,000	32,983,000	32.3
27 Chains	$225,313,829	$185,852,003	21.23	$1,635,851,948	$1,420,885,511	15.13
2 Mail orders	145,518,838	101,511,701	43.35	871,976,062	671,711,708	29.81
29 Companies	$370,832,667	$287,363,704	29.05	$2,507,828,010	$2,092,597,219	19.84

Bank Debits Up 29% From Last Year

Bank debits as reported by banks in leading centers for the week ended Oct. 8 aggregated $10,201,000,000. Total debits during the 13 weeks ended Oct. 8 amounted to $130,954,000,000, or 28% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 23% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 31%.

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District	Week Ended Oct. 8, 1941	Week Ended Oct. 9, 1940	13 Weeks Ended Oct. 8, 1941	13 Weeks Ended Oct. 9, 1940
Boston	584	458	7,156	5,796
New York	4,056	3,254	51,212	41,717
Philadelphia	540	422	7,189	5,387
Cleveland	727	544	9,809	7,553
Richmond	436	330	5,329	3,993
Atlanta	349	252	4,351	3,177
Chicago	1,443	1,115	20,113	14,977
St. Louis	380	254	4,258	3,064
Minneapolis	212	158	2,665	2,084
Kansas City	327	246	4,378	3,388
Dallas	273	196	3,394	2,529
San Francisco	866	666	11,100	8,743
Total, 274 reporting centers	10,201	7,895	130,954	102,408
New York City*	3,706	2,978	46,646	37,976
140 Other leading centers*	5,543	4,212	72,805	55,528
133 Other centers	947	705	11,503	8,904

*Included in the national series covering 141 centers, available beginning with 1919.

Member Bank Condition Statement

In the following will be found the comments of the Board of Governors of the Federal Reserve System respecting the returns of the entire body of reporting member banks of the Federal Reserve System for the week ended with the close of business Oct. 8.

The condition statement of weekly reporting member banks in 101 leading cities shows the following principal changes for the week ended Oct. 8: An increase of $54,000,000 in commercial, industrial and agricultural loans, decreases of $51,000,000 in "Other securities," $73,000,000 in balances with domestic banks, $138,000,000 in United States Government deposits, and $60,000,000 in deposits credited to domestic banks, and an increase of $123,000,000 in demand deposits-adjusted.

Commercial, industrial and agricultural loans increased $33,000,000 in New York City and $54,000,000 at all reporting member banks.

Holdings of Treasury bills increased $22,000,000 in the Boston district and $30,000,000 at all reporting member banks. Holdings of Treasury notes declined $35,000,000 in New York City and $30,000,000 at all reporting member banks. Holdings of "Other securities" declined $47,000,000 in New York City and $51,000,000 at all reporting member banks.

Demand deposits-adjusted increased in nearly all districts, the principal increases being $29,000,000 in New York City, $26,000,000 in the Boston district, and $21,000,000 in the Richmond district. United States Government deposits declined in nearly all districts, the principal decreases being $35,000,000 in the San Francisco district and $28,000,000 in the Chicago district.

Deposits credited to domestic banks declined $94,000,000 in New York City and $60,000,000 at all reporting member banks, and increased $19,000,000 in the St. Louis district and $17,000,000 in the Atlanta district.

A summary of the principal assets and liabilities of reporting member banks together with changes for the week and the year ended Oct. 8, 1941, follows:

	Oct. , 1941 $	Increase (+) or Decrease (—) Since Oct. 1, 1941 $	Increase (+) or Decrease (—) Since Oct. 9, 1940 $
Assets—			
Loans and Investments—total	29,132,000,000	+ 7,000,000	+4,805,000,000
Loans—total	11,076,000,000	+ 52,000,000	+2,276,000,000
Commercial, industrial and agricultural loans	6,501,000,000	+ 54,000,000	+1,829,000,000
Open market paper	403,000,000	+ 6,000,000	+ 104,000,000
Loans to brokers and dealers in securities	493,000,000	— 1,000,000	+ 84,000,000
Other loans for purchasing or carrying securities	427,000,000	— 1,000,000	— 35,000,000
Real estate loans	1,256,000,000	— 1,000,000	+ 35,000,000
Loans to banks	40,000,000	+ 1,000,000	+ 1,000,000
Other loans	1,956,000,000	— 6,000,000	+ 258,000,000
Treasury bills	815,000,000	+ 30,000,000	+ 153,000,000
Treasury notes	2,250,000,000	— 30,000,000	+ 436,000,000
U. S. bonds	7,920,000,000	+ 3,000,000	+1,124,000,000
Obligations guaranteed by U. S. Gov't	3,322,000,000	+ 3,000,000	+ 736,000,000
Other securities	3,749,000,000	— 51,000,000	+ 80,000,000
Reserve with Federal Reserve Banks	10,804,000,000	+ 12,000,000	— 966,000,000
Cash in vault	558,000,000	+ 21,000,000	+ 47,000,000
Balances with domestic banks	3,523,000,000	— 73,000,000	+ 279,000,000
Liabilities—			
Demand deposits—adjusted	24,400,000,000	+123,000,000	+3,162,000,000
Time deposits	5,444,000,000	+ 15,000,000	+ 91,000,000
U. S. Government deposits	461,000,000	—138,000,000	— 68,000,000
Interbank deposits:			
Domestic banks	9,609,000,000	— 60,000,000	+ 890,000,000
Foreign banks	633,000,000	+ 9,000,000	— 58,000,000
Borrowings	1,000,000	----------	— 2,000,000

Preliminary Estimate of August Coal Output

According to preliminary estimates made by the Bureau of Mines and the Bituminous Coal Division of the United States Department of the Interior, bituminous coal output during the month of August, 1941, amounted to 45,650,000 net tons, compared with 39,010,000 net tons in the corresponding month of 1940 and 43,300,000 tons in July, 1941. Anthracite production during August 1941 totaled 5,246,000 net tons as against 3,883,000 tons a year ago and 4,681,000 tons in July 1941. The consolidated statement of the two aforementioned organizations follows:

	Total for Month (Net Tons)	Number of Working Days	Average per Working Day (Net Tons)	Cal. Year to End of August (Net Tons)
August, 1941 (Preliminary)—				
Bituminous coal *a*	45,650,000	26	1,756,000	314,352,000
Anthracite *b*	5,246,000	--	--------	35,878,000
Beehive coke	610,500	--	--------	3,983,100
July, 1941 (Revised)—				
Bituminous coal *a*	43,300,000	23.4	1,850,000	--------
Anthracite *b*	4,681,000	--	--------	--------
Beehive coke	578,300	--	--------	--------
August, 1940 (Revised)—				
Bituminous coal *a*	39,010,000	27	1,445,000	294,483,000
Anthracite *b*	3,883,000	--	--------	34,144,000
Beehive coke	294,200	--	--------	1,478,900

a Includes for purposes of historical comparison and statistical convenience the production of lignite and of anthracite and semi-anthracite outside of Pennsylvania.

b Total production, including colliery fuel, washery and dredge coal and coal shipped by truck from authorized operations.

Note—All current estimates will later be adjusted to agree with the results of the complete canvass of production made at the end of the calendar year.

Says Administration's Price Control Measure Will not Halt Rising Prices

The Brookings Institution of Washington, D. C., in a report made public Sept. 28, asserts that the Administration's pending price control legislation will not exercise an effective check on rising prices unless agricultural price policy and wage rates are coordinated with general price policies. The study, prepared by Dr. Harold G. Moulton and Dr. Meyer Jacobstein, said that the most important steps that might be taken to avert a further general price spiralling would be to reduce the prices of import agricultural products and to control wage rates. With respect to the report, Associated Press advices had the following to say:

Reduction of prices of important agricultural products, the authors said, was the most important single step that might be taken to avert a further general price spiralling. This, they added, "could readily be done by releasing to the market a portion of the crops now stored in Government warehouses."

In any case, the study continued, farmers could expect some additional increase in income as a result of the Government's plan to expand farm production.

On the subject of wages, the authors said:

"So long as wage rates remain uncontrolled, the most that can be expected in the control of the prices of industrial products generally is to restrain somewhat the rate of price advance. Recent improvements in the position of labor will be safeguarded if we check the forces responsible for rising living costs. Labor as a whole may in any case expect some further expansion of earnings as a result of increasing hours of work as the defense needs become more intense.

"Business profits might show some increase in consequence of stabilized prices of raw materials and wages, coupled with expanding output. The realization of additional gains by stockholders can readily be prevented by means of the tax machinery."

Wholesale prices, the report said, have increased 21% since 1939, a situation which the writers attributed primarily to "the great rise" in farm prices and increasing labor costs.

Analyzing these increases, the study said:

"The increase in the agricultural prices has been due primarily to the Government's farm program. There is nothing in the underlying supply and demand situation which would have produced any extensive rise in the prices of farm products generally. . . . The Government has created an artificial market situation for most farm products."

This, it said, had been accompanied by the loan program, withholding of crops from markets, and Government purchases for lend-lease export.

Wage increases were explained as follows: Limited supplies of skilled labor, effective collective bargaining with the support of the Government, and increases in costs of food and clothing resulting in demands for compensating wage advances.

Under the price control legislation before Congress, the study declared, all the price administrator can do is to try to prevent excessive increases in manufacturing and distributing prices. The bill, it said, was not focused on the primary factors in price advances.

Wages are exempted from control under the bill. Price ceilings could be placed on farm products, but not lower than 110% of "parity" which is the price at which a farm product has purchasing power in terms of other products equal to that of the 1909-14 period. Most major farm products now are selling at or above parity.

Chain Store Sales

August chain store sales reflected increased consumer buying power by pushing ahead into new high ground, according to "CHAIN STORE AGE."

The "CHAIN STORE AGE" index for the month was 151, as compared with 141 in July, and 133 in June. In August, 140, the index stood at 122.8.

The index of sales by groups for August compare as follows:

	Aug., 1941	July, 1941	Aug., 1940
Variety	159	145	127.6
Apparel	184	159	134
Shoe	208	175	154
Drug	159	162	145
Grocery	135	130	112.5

September Engineering Construction Reduced from Month Ago but 40% Higher Than Last Year

September engineering construction awards, $514,251,000, are 40% higher than in the corresponding month last year, but 3% below the volume reported for last month by Engineering News-Record. The current total is the fourth consecutive monthly award figure to top the half-billion dollar mark, and is the highest September volume on record. An announcement issued by Engineering News-Record Oct. 7 continued:

> Public construction is up 62% compared with last September, but 3½% below the preceding month. Federal work with a 147% gain is responsible for the increase over last year, but it falls 3½% below the August volume. State and municipal construction is 38 and 3% lower, respectively, than a year ago and a month ago.
>
> Private awards for September are 24% below the total reported in September, 1940, but are 0.3% over the August, 1941, volume.
>
> Values of awards for September, 1940, August and September, 1941, are:
>
> | | Sept., 1940 (four weeks) | Aug., 1941 (four weeks) | Sept., 1941 (four weeks) |
> |---|---|---|---|
> | Total Construction | $368,252,000 | $529,561,000 | $514,251,000 |
> | Private Construction | 95,941,000 | 72,982,000 | 73,196,000 |
> | Public Construction | 272,311,000 | 456,579,000 | 441,055,000 |
> | State and Municipal | 125,161,000 | 80,153,000 | 77,886,000 |
> | Federal | 147,150,000 | 376,426,000 | 363,169,000 |
>
> ### Nine-month Awards Up 93½%
>
> The September engineering construction awards boost the total for the first nine months of 1941 to $4,843,878,000, a peak 93½% above the total for the corresponding period last year, and 21% above the award figure for the entire year of 1940, the previous all-time high.
>
> Private awards for the first three-quarters are 32% higher than a year ago. Public construction better than doubles its last year's total for the period, gaining 118%. Federal work, up 313% from a year ago, is the factor accounting for the public rise, as state and municipal construction awards are 9% lower. Totals for the first three-quarters of 1940 and 1941 are:
>
> | | 1940 | 1941 |
> |---|---|---|
> | Total Construction | $2,502,973,000 | $4,843,878,000 |
> | Private Construction | 731,501.000 | 966,938 000 |
> | Public Construction | 1,771,472,000 | 3,876,940,000 |
> | State and Municipal | 1,066,332.000 | 965,851,000 |
> | Federal | 705,140,000 | 2,911,089,000 |
>
> Public building awards for the nine months, $2,306,503,000, increase 325% over last year, and are the primary reason for the public construction gain. Industrial buildings, $400,162,000, are 18½% higher, and commercial buildings and large-scale private housing, $395,867,000, are up 42% compared with the three-quarter figure in 1940.
>
> Waterworks construction gains 7% over a year ago; earthwork and drainage awards are up 8%; and unclassified construction climbs 110%.
>
> Sewerage awards, however, are 0.1% below last year; bridges are 1% lower; and highway construction declines 11%.
>
> All sections of the country report substantial increases over their respective volumes for the nine months of 1940. West of the Mississippi states climb 136%; Far West, 124%; South, 96%; Middle Atlantic, 64%; Middle West, 54%; and New England, 53%.
>
> September volumes in the various classes of construction compared with those for the corresponding 1940 month show gains in public buildings, 112%; waterworks, 94%; and unclassified construction, 30%. Losses are in streets and roads, 19%; industrial buildings, 17%; commercial building and large scale private housing, 19%; bridges, 16%; sewerage, 53%; and earthwork and drainage, 35%.
>
> Comparisons with August, 1941, reveal increases in public buildings, 4%; industrial buildings, 114%; bridges, 6%; and sewerage, 12%. Decreases are reported in streets and roads, 14%; commercial buildings and large-scale private housing, 34%; waterworks, 1%; earthwork and drainage, 67%; and unclassified construction, 19%.
>
> Georgraphically, only the western part of the country reports higher volumes in September than in August. West of the Mississippi state's awards are up 6%, and the Far West total is 103% greater. New England volume is 55% lower; Middle Atlantic and Middle West are each off 24%; and South is down 15%.
>
> Comparisons with last September show gains in Far West, 213%; West of Mississippi, 200%; and South, 17%. Volume in the Middle West is 46% under a year ago; in the Middle Atlantic states, 18% lower; and in New England, off 25%.
>
> ### New Capital
>
> New capital for construction purposes for September totals $457,416.000, a decrease of 47% from the corresponding period last year. The month's new financing is made up of $428,529,000 in federal appropriations for military and naval construction, $17,544,000 in state and municipal bond sales, $11,093,000 in corporate security issues, and $250,000 in RFC loans for public improvements.
>
> New construction financing for the nine months of 1941 totals $5,860,877,000, an increase of 106% over the $2,847,467,000 reported for the period last year. Of the three-quarter volume, $656,099,000 is private investment, up 14% over a year ago; $378,660,000 is federal funds for non-federal work and $4,826,118,000 is federal appropriations for governmental construction.

Labor Bureau's Wholesale Price Index Resumes Advance; Up 0.4% in Oct. 4 Week

Commodity prices in wholesale markets rose 0.4% during the week ended Oct. 4 following their decline of the previous two weeks, Acting Commissioner Hinrichs of the Bureau of Labor Statistics reported on Oct. 9. "The sharp advances in prices for foodstuffs and some farm products and the increased tax on alcohol brought the all-commodity index back to 91.6% of the 1926 average, the mid-September high point," Mr. Hinrichs said. "The index is now 17.7% higher than a year ago."

The Bureau's announcement further stated:

> Average wholesale prices for foods rose 2.4% during the week and were about 27% above a year ago. Outstanding changes in wholesale food prices were more than 7% for fruits and vegetables; 4% for cereal products; and 2.3% for dairy products. Higher prices were also reported for fresh milk in the Chicago market, powdered milk, cheese and butter; for bread at New York, flour and corn meal; for most fresh fruits and vegetables; for fresh beef at New York, and for lamb; and for eggs, lard, raw sugar, tea, cocoa beans, edible tallow and cottonseed and olive oils. Quotations were lower for rice, macaroni, fresh and cured pork, and for pepper.
>
> Wholesale prices for farm products rose 0.4% and are now about 38% higher than a year ago. Prices for grains, except corn, advanced. Prices were also higher for cotton, hops and seeds. Average prices for live-stock and poultry declined 2.9% as a result of lower prices for cows, steers, hogs, sheep and live poultry in the New York market. Prices were higher for calves and for live poultry at Chicago.
>
> Except for higher prices for certain chemicals and drugs, due largely to increased taxes, and lower prices for lumber, changes in industrial commodity markets were relatively narrow under the influence of government regulation for a wide range of products. Cotton and woolen and worsted yarns and materials continued to rise and prices were higher for cordage.
>
> Lower prices for gum, oak and certain types of yellow pine lumber and for maple flooring largely accounted for a decline in the building materials group index. Quotations for tung oil, turpentine, lime and sand were higher.
>
> Marked increases occurred in prices for ethyl alcohol, crude naphthalene and sulfur olive oil. Soap continued to advance.
>
> Average wholesale prices for cattle feed dropped 1.7% during the week.

The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Sept. 6, 1941, and for Oct. 5, 1940, and the percentage changes from a week ago, a month ago, and a year ago, (2) percentage changes in subgroup indexes from Sept. 27 to Oct. 4, 1941.

(1926=100)

Commodity Groups	10-4 1941	9-27 1941	9-20 1941	9-6 1941	10-5 1940	Percentage changes to Oct. 4, 1941, from— 9-27 1941	9-6 1941	10-5 1940
ALL COMMODITIES	91.6	91.2	91.5	91.0	77.8	+0.4	+ 0.7	+17.7
Farm products	90.3	89.9	91.2	89.1	65.5	+0.4	+1.3	+37.9
Foods	89.7	87.6	88.5	88.6	70.7	+2.4	+1.2	+26.9
Hides and leather products	112.4	112.3	111.7	111.2	99.9	+0.1	+1.1	+12.5
Textile products	89.9	89.6	89.2	88.3	72.5	+0.3	+1.8	+24.0
Fuel and lighting materials	80.1	80.1	80.0	79.9	72.3	0	+0.3	+10.8
Metals and metal products	98.7	98.7	98.7	98,7	95,8	0	0	+ 3.0
Building materials	105.9	107.0	106.2	106.0	96.5	—1.0	—0.1	+ 9.7
Chemicals and allied products	89.7	88.1	87.8	86.0	76.8	+1.8	+4.3	+16.8
Housefurnishing goods	98.5	98.3	98.0	97.1	90.1	+0.2	+1.4	+ 9.3
Miscellaneous commodities	85.0	85.1	85.0	84.5	76.4	—0.1	+0.6	+11.3
Raw materials	89.5	89.0	89.8	88.5	70.4	+0.6	+1.1	+27.1
Semimanufactured articles	90.5	90.3	90.1	90.0	78.6	+0.2	+0.6	+15.1
Manufactured products	93.0	92.7	92.8	92.6	81.6	+0.3	+0.4	+14.0
All commodities other than farm products	91.9	91.5	91.6	91.4	80.5	+0.4	+0.5	+14.2
All commodities other than farm products and foods	92.0	92.0	91.8	91.4	82.9	0	+0.7	+11.0

Percentage Changes in Subgroup Indexes From Sept. 27 to Oct. 4, 1941

Increases

Drugs and pharmaceuticals	17.3	Clothing	0.4
Fruits and vegetables	7.1	Woolen and worsted goods	0.4
Cereal products	4.1	Hides and skins	0.4
Other farm products	2.9	Furnishings	0.4
Dairy products	2.3	Hosiery and underwear	0.3
Other foods	1.3	Other textile products	0.2
Grains	1.2	Shoes	0.2
Meats	0.7	Bituminous coal	0.1
Plumbing and heating	0.6	Paper and pulp	0.1
Cotton goods	0.6	Other miscellaneous	0.1

Decreases

Lumber	3.4	Cattle feed	1.7
Livestock and poultry	2.9		

Present Wave of Wage Increases is Fourth Since 1933, Conference Board Reports

Average hourly earnings in 25 manufacturing industries have increased sharply since October, 1940, according to statistics compiled by the Division of Industrial Economics of The Conference Board covering about 2,000,000 wage earners. This increase, however, says the Board, has not yet reached the proportions of the sharp rise from June to September, 1933, when the NRA stimulated a great increase in labor union activity, or of the sharp rise from October, 1936, to June, 1937, when the post-election boom in business activity created a shortage of some kinds of skilled labor.

The present increase, according to The Conference Board's compilation, is the fourth sharp rise in earnings per hour since the bottom of the depression in the summer of 1932. Under date of Oct. 10, the Board further reports:

> The first occurred in the summer of 1933, when average hourly earnings rose 19% in three months. The second was in April, 1934, when they went up 3% in one month. The third was immediately after the 1936 election, when they rose 14% in eleven months. Since October, 1940, manufacturing industries have been in the midst of another upward movement in wage rates which caused hourly earnings to rise from 74.4 cents to a new high record of 82.2 cents in July. Thus far the increase has amounted to 7.8 cents per hour, or 10%, in nine months.
>
> Since the bottom of the depression in 1932 these waves of wage increases have not actually been waves, because wage rates and average hourly earnings in the 25 industries as a whole, have never receded. During much of the time between the sharp upward movements, wage rates gradually rose, so that the net increase in the eight years from June, 1933, when the first upward movement began, to July, 1941, was 37.2 cents, or 83%.
>
> The wage earners in these industries, however, did not benefit fully from the advances in hourly earnings, because each of the first three occurred approximately at the top of a sharp increase in manufacturing activity, the subsequent reaction from which caused declines in employment, in the number of hours worked, and in average weekly earnings.
>
> The sharpest increases in average hourly earnings during the October, 1940, to July, 1941, wave of wage increases were with few exceptions in the industries which have received the largest volume of defense contracts. In the iron and steel industry the increase amounted to 13.6 cents an hour, or 15.9%. Most of the gain occurred in April, when the industry raised wages 10 cents an hour, boosting average hourly earnings from 87.7 cents in March to 97.4 cents in April. Hourly earnings subsequently crept upward to 99.2 cents in June, easing to 99.1 cents in July. Hourly earnings in the iron and steel industry are now the second highest of the 25 manufacturing industries; they are exceeded only by the average in the automobile industry.
>
> The smallest increase in average hourly earnings was in the newspaper and magazine printing industry, where the average for July, 1941, was 98.3 cents, as compared with 98.0 cents in October, 1940. There has been no sharp increase in hourly earnings in this industry since the spring and early summer of 1937. Average hourly earnings, however, were the second highest of the 25 manufacturing industries in October, 1940, and they were the third highest in July, 1941, despite the sharp increases which occurred in several other industries.

Asks Permission to Arm Merchantmen

(Continued from Page 626)

ceed. Hitler proclaimed certain far larger areas as zones of combat into which any neutral ship, regardless of its flag or the nature of its cargo, could proceed only at its peril.

We know now that Hitler recognizes no limitation on any zone of combat in any part of the seven seas. He has struck at our ships and at the lives of our sailors within the waters of the Western Hemisphere. Determined as he is to gain domination of the entire world, he considers the entire world his own battlefield.

Ships of the United States and of other American republics continue to be sunk, not only in the imaginary zone proclaimed by the Nazis in the North Atlantic, but also in the zoneless South Atlantic.

I recommend the repeal of section 6 of the act of Nov. 4, 1939, which prohibits the arming of American-flag ships engaged in foreign commerce.

The practice of arming merchant ships for civilian defense is an old one. It has never been prohibited by international law. Until 1937 it had never been prohibited by any statute of the United States. Through our whole history American merchant vessels have been armed whenever it was considered necessary for their own defense.

It is an imperative need now to equip American merchant vessels with arms. We are faced not with the old type of pirates but with the modern pirates of the sea who travel beneath the surface or on the surface or in the air destroying defenseless ships without warning and without provision for the safety of the passengers and crews.

Our merchant ships are sailing the seas on missions connected with the defense of the United States. It is not just that the crews of these vessels should be denied the means of defending their lives and their ships.

Although the arming of merchant ships does not guarantee their safety, it most certainly adds to their safety. In the event of an attack by a raider they have a chance to keep the enemy at a distance until help comes. In the case of an attack by air, they have at least a chance to shoot down the enemy or keep the enemy at such height that it cannot make a sure hit. If it is a submarine, the armed merchant ship compels the submarine to use a torpedo while submerged — and many torpedoes thus fired miss their mark. The submarine can no longer rise to the surface within a few hundred yards and sink the merchant ship by gunfire at its leisure.

Already we take many precautions against the danger of mines, and it seems somewhat incongruous that we have authority today to "degauss" our ships as a protection against mines, whereas we have no authority to arm them in protection against aircraft or raiders or submarines.

The arming of our ships is a matter of immediate necessity and extreme urgency. It is not more important than some other crippling provisions in the present act, but anxiety for the safety of our crews and of the almost priceless goods that are within the holds of our ships leads me to recommend that you, with all speed, strike the prohibition against arming our ships from the statute books.

There are other phases of the Neutrality Act to the correction of which I hope the Congress will give earnest and early attention. One of these provisions is of major importance. I believe that it is essential to the proper defense of our country that we cease giving the definite assistance which we are now giving to the aggressors. For, in effect, we are inviting their control of the seas by keeping our ships out of the ports of our own friends.

It is time for this country to stop playing into Hitler's hands, and to unshackle our own.

A vast number of ships are sliding into the water from American shipbuilding ways. We are lending them to the enemies of Hitlerism and they are carrying food and supplies and munitions to belligerent ports in order to withstand Hitler's juggernaut.

Most of the vital goods authorized by the Congress are being delivered. Yet many of them are being sunk; and as we approach full production requiring the use of more ships now being built it will be increasingly necessary to deliver American goods under the American flag.

We cannot, and should not, depend on the strained resources of the exiled nations of Norway and Holland to deliver our goods nor should we be forced to masquerade American-owned ships behind the flags of our sister republics.

I earnestly trust that the Congress will carry out the true intent of the Lease-Lend Act by making it possible for the United States to help to deliver the articles to those who are in a position effectively to use them. In other words, I ask for Congressional action to implement Congressional policy. Let us be consistent.

I would not go back to the earlier days when private traders could gamble with American life and property in the hope of personal gain, and thereby embroil this country in some incident in which the American public had no direct interest. But, today, under the controls exercised by the Government, no ship and no cargo can leave the United States save on an errand which has first been approved by governmental authority. And the test of that approval is whether the exportation will promote the defense of the United States.

I cannot impress too strongly upon the Congress the seriousness of the military situation that confronts all of the nations that are combating Hitler.

We would be blind to the realities if we did not recognize that Hitler is now determined to expend all the resources and all the mechanical force and manpower at his command to crush both Russia and Britain. He knows that he is racing against time. He has heard the

(Continued on Page 630)

August Building Permit Valuations

Building permit valuations for new residential construction were 25% higher in August 1941 than in the corresponding month of 1940, Secretary of Labor Frances Perkins reported on Sept. 27. "There was also a gain of 11% in additions, alterations, and repairs. Permit valuations for new non-residential construction were 46% under the total for August, 1940, when large numbers of contracts were awarded for additional facilities necessary for the intensified national defense program. Consequently, permit valuations for all building construction in August, 1941, were 6% below the total reported last year," Miss Perkins stated, adding:

> Between July and August, 1941, permit valuations dropped 16%. Although this loss was spread among all 3 types of construction, by far the largest decrease was in new nonresidential construction which fell 42%. August permit valuations for new residential construction were within 2% of the July totals, and those for additions, alternations, and repairs, within 5%. These comparisons are based on information received from 2,137 identical cities with populations of 1,000 or more which reported to the Bureau of Labor Statistics in August, 1940, and July and August, 1941. The total population of these cities was approximately 64,300,000, according to the 1940 Census.
>
> During the first 8 months of 1941, permits were issued in reporting cities for buildings valued at $1,893,150,000, an increase of 23% as compared with the corresponding period of 1940. Permit valuations for new residential buildings during the first 8 months of the current year amounted to $1,035,349,000, a gain of 26%, as compared with the first 8 months of the preceding year. Over the same period new nonresidential buildings showed a gain of 25%, and additions, alterations, and repairs a gain of 8%.

The Labor Department's announcement further stated:

> The Bureau's tabulations of permit valuations include contracts awarded by Federal and State Governments in addition to private and municipal construction. For August, 1941, Federal and State construction in the 2,137 reporting cities totaled $38,199,000; for July, 1941, $51,637,000; and for August, 1940, $67,468,000.
>
> Changes in permit valuations in the 2,137 reporting cities between August, 1941, and August, 1940, and July, 1941, are summarized below:

Class of Construction—	Change from Aug., '40 to Aug., '41 All Cities	Change from Aug., '40 to Aug., '41 Excl. N. Y. City
New residential	+24.9%	+29.3%
New non-residential	—45.7	—43.2
Additions, alterations, and repairs	+11.0	+10.8
All construction	— 5.7%	— 2.8%

Class of Construction—	Change from July, '41 to Aug., '41 All Cities	Change from July, '41 to Aug., '41 Excl. N. Y. City
New residential	— 1.8%	+ 1.3%
New non-residential	—42.1	—39.2
Additions, alterations, and repairs	— 4.9	— 4.7
All construction	—16.0%	—13.4%

Comparisons in permit valuations in cities reporting for the first 8 months of 1940 and 1941 are shown in the following table:

Class of Construction—	Change from first 8 mos. of 1940 to first 8 mos. of 1941 All Cities	Change from first 8 mos. of 1940 to first 8 mos. of 1941 Excl. N. Y. City
New residential	+26.1%	+31.1%
New non-residential	+25.3	+27.0
Additions, alterations, and repairs	+ 8.1	+10.2
All construction	+23.1%	+26.7%

New housekeeping residential construction for which permits were issued in the 2,137 reporting cities in August, 1941, will provide 36,868 dwelling units, or 4% fewer than the 38,320 dwelling units reported in the previous month and 14% more than the number provided in August, 1940. Dwelling units in publicly financed housing projects authorized in the reporting cities numbered 7,423 in August, 1941, 3,055 in July, 1941, and 4,740 in August, 1940.

Principal centers of various types of building construction for which permits were issued or contracts were awarded in August, 1941, were: West Hartford, Conn., 1-family dwellings to cost $532,000; South Portland, Me., shipyard construction to cost $1,097,000; Everett, Mass., a power house to cost $1,600,000; Providence, R. I., office buildings to cost $915,000; Harrison, N. J., factories to cost $749,000; New York City—Borough of the Bronx, apartment houses to cost $515,000; Borough of Brooklyn, 1-family dwellings to cost $642,000; and 2-family dwellings to cost $582,000; Borough of Queens, 1-family dwellings to cost $1,285,000; Schenectady, N. Y., factories to cost $1,090,000; Rochester, N. Y., factories to cost $539,000; Lower Merion Township, Pa., 1-family dwellings to cost $728,000; Philadelphia, Pa., 1-family dwellings to cost $3,276,000; Chicago, Ill., 1-family dwellings to cost $2,207,000; Joliet, Ill., 1-family dwellings to cost $780,000; Indianapolis, Ind., 1-family dwellings to cost $522,000; Dearborn, Mich., 1-family dwellings to cost $752,000; Detroit, Mich., 1-family dwellings to cost $4,767,000; Cincinnati, Ohio, 1-family dwellings to cost $678,000; Cleveland, Ohio, 1-family dwellings to cost $836,000; Columbus, Ohio, 1-family dwellings to cost $1,006,450; Springfield, Mo., a public building to cost $1,714,000; Washington, D. C., apartment houses to cost $647,000, office buildings to cost $1,011,000, and schools to cost $1,308,000; Miami, Fla., 1-family dwellings to cost $608,000; Miami Beach, Fla. hotels to cost $640,000; Baltimore, Md., 1-family dwellings to cost $1,756,000; Arlington County, Va., 1-family dwellings to cost $662,000 and apartment houses to cost $534,000; Norfolk, Va., 1-family dwellings to cost $812,000; Oklahoma City, Okla., 1-family dwellings to cost $570,000; Houston, Texas, 1-family dwellings to cost $1,005,000; Lubbock, Texas, a flying school to cost $3,973,000; Denver, Colo., 1-family dwellings to cost $670,000; Burbank, Calif., 1-family dwellings to cost $605,000; Long Beach, Calif., 1-family dwellings to cost $616,000; Los Angeles, Calif., 1-family dwellings to cost $3,991,000, apartment houses to cost $532,000, and factories to cost $963,000; Oakland, Calif., 1-family dwellings to cost $681,000; San Diego, Calif., 1-family dwellings to cost $1,031,000; San Francisco, Calif., 1-family dwellings to cost $1,266,000; Portland, Oreg., 1-family dwellings to cost $646,000; and Seattle, Wash., 1-family dwellings to cost $1,022,000, and dock and warehouse facilities to cost $1,538,000.

Contracts were awarded during August for the following publicly financed housing projects containing the indicated number of dwelling units: Bridgeport, Conn., $3,037,000 for 800 units; East Hartford, Conn., $1,979,000 for 500 units; Fairfield, Conn., $1,518,000 for 400 units; New Britain, Conn., $819,000 for 200 units; Stratford, Conn., $1,438,000 for 400 units; Jersey City, N. J., $993,000 for 234 units; Niagara Falls, N. Y., $1,087,000 for 300 units; Bethlehem, Pa., $40,000 for 12 units; Clairton, Pa., $1,918,000 for 452 units; New Kensington, Pa., $992,000 for 250 units; Philadelphia, Pa., $5,683,000 for 1,400 units; Pittsburgh, Pa., $3,839,000 for 1,001 units; Washington, D. C., $2,238,000 for 600 units; Spartanburg, S. C., $359,000 for 120 units; Richmond, Va., $1,000,000 for 301 units; Louisville, Ky., $1,420,000 for 423 units; and Twin Falls, Idaho, $86,000 for 28 units.

SUMMARY OF BUILDING CONSTRUCTION FOR WHICH PERMITS WERE ISSUED IN 2,137 CITIES, BY GEOGRAPHIC DIVISION, AUGUST, 1941

Geographic division	No. of cities report'g	New Residential Buildings: Permit valuation August 1941	% change from July 1941	% change from August 1940	No. of new dwell. units August 1941	% change from July 1941	% change from August 1940
ALL DIVISIONS	2,137	$145,775,691	— 1.8	+ 24.9	36,868	— 3.8	+ 14.3
New England	135	17,071,135	+118.2	+115.1	4,046	+137.6	+107.3
Middle Atlantic	551	34,352,675	+ 7.3	+ 79.1	8,131	+ 9.4	+ 76.8
East North Central	471	32,297,441	— 11.4	+ 19.0	6.618	— 11.5	+ 8.0
West North Central	204	7,162,865	— 15.4	+ 20.5	1,965	— 17.5	+ 14.4
South Atlantic	234	19,402,112	+ 8.4	— 9.2	5,484	— 0.9	— 13.3
East South Central	85	3,607,967	+ 25.5	+ 64.4	1,424	+ 22.4	+ 40.0
West South Central	124	8,226,480	— 43.9	— 14.5	2,637	— 42.8	— 24.7
Mountain	104	3,029,531	— 0.2	— 8.2	937	+ 2.5	— 17.2
Pacific	229	20,625,485	— 18.1	+ 2.9	5,626	— 20.9	— 4.6

Geographic division	New Non-Residential Bldgs.: Per. valua. August 1941	% change from July 1941	% change from August 1940	*Total Building Construction: Per. valua. August 1941	% change from July 1941	% change from August 1940	Popula'n (Census of 1940)
ALL DIVISIONS	$55,532,748	—42.1	—45.7	$235,176,730	—16.0	— 5.7	64,349,819
New England	6,934,192	—36.6	+30.4	26,775,195	+21.5	+68.7	5,605,052
Middle Atlantic	8,687,295	—38.0	—62.1	52,820,284	— 4.7	+ 4.2	19,404,567
East No. Central	9,795,526	—47.3	—53.7	49,467,936	—22.6	—11.0	15,386,128
West No. Central	4,497,153	+73.9	+26.9	13,797,185	+ 4.5	+24.1	4,845,121
South Atlantic	6,484,264	—58.2	—69.3	29,014,867	—21.6	—36.7	5,679,282
East St. Central	1,434,781	—44.3	—71.8	6,039,047	— 8.2	—24.5	2,194,588
West So. Central	6,861,363	+16.4	+65.4	17,345,865	—22.9	+11.0	3,745,622
Mountain	1,704,078	+15.4	+ 2.9	5,589,007	+ 4.5	— 1.3	1,427,936
Pacific	9,134,096	—62.4	—46.8	34,327,344	—36.4	—16.4	6,061,523

*Including alterations and repairs.

Simplified Income Tax Forms to be Ready for Distribution by First of the Year

Tentative proofs of the new simplified income tax form were received by the Treasury on Oct. 6 as it was announced. Secretary Morgenthau has approved regulations covering its use.

The simplified form was provided for in the Revenue Act of 1941 (Sections 400 to 404 of the Internal Revenue Code). The regulations are embodied in Treasury Decision 5079. The new form may be used by income taxpayers whose income is $3,000 or less and is wholly derived from salaries, wages, other compensation for personal services, dividends, interests, rents, annuities or royalties. Estates, trusts and nonresident aliens may not use the form. The Treasury's announcement further said:

> The new return, known as Form 1040-A, takes the place of the old Form 1040-A, which has been used by taxpayers with gross incomes of $5,000 or less. Those whose income for 1941 is over $3,000, as well as those who choose not to use the new simplified form, will use the larger Form 1040, but this also will be revised and simplified, Treasury officials said.
>
> Fifty million copies of the simplified form, which is printed on the two sides of a single sheet, have been ordered from the printer. Distribution is being rushed so that the forms will be in the hands of Internal Revenue Collectors in all parts of the country by Jan. 1.
>
> The table on the reverse side of the simplified form shows the amount of tax on increasing amounts of gross income after the proper allowance of a credit of $400 for each dependent, if any. The table automatically reflects no tax liability in cases where the gross income less credit for dependents is not in excess of the exemption levels. These levels are $750 in the case of a single person who is not the head of a family and $1,500 in the case of married person or a person who is the head of a family. Married persons not living with their spouses and married persons whose spouses file separate returns are treated as single persons for the purposes of the table. The status of a person on the last day of the year is the governing factor in determining the exemption level as well as the credit for dependents in case the simplified return Form 1049-A is filed.
>
> The tax is the same for each $25 block of gross income, and the taxpayer need only ascertain in which block his gross income (less the allowance for dependents) falls. For example, a single person (not the head of a family) who has a gross income anywhere between $2,300.01 and $2,325.00 and who has no dependents will pay a tax of $132. A married person or head of a family in the same situation will pay a tax of $65. In arriving at the amount of tax in each block, the tax on the average amount of income in such block, computed at ordinary rates and with a 10% earned income credit allowed for normal tax purposes, has been reduced by 10%, owing to the fact that deductions and certain credits are not allowed, and has been fixed at the nearest dollar.
>
> This simplified method of computing the tax is at the option of the taxpayer. A new election may be made each year. Once an election has been made for any year, however, it is irrevocable for that year. Therefore, if a taxpayer has filed a return under the simplified method for any taxable year, he may not thereafter (either before, on or after March 15th) file a return under the general provisions for that year. Conversely, if he has filed a return under the general provisions for any taxable year, he may not thereafter file a return under the simplified method for that year.

July Automobile Financing

The dollar volume retail automobile financing for July, 1941, for 400 organizations amounted to $210,627,987, a decrease of 11.5% as compared with June, 1941; an increase of 26.9% as compared with July, 1940; and an increase of 73.0% as compared with July, 1939. The volume of wholesale financing for July, 1941, amounted to $202,022,348, a decrease of 12.7% compared with June, 1941; an increase of 42.3% as compared with July, 1940; and an increase of 101% as compared with July, 1939, it was announced Sept. 29 by Director J. C. Capt, Bureau of the Census, Department of Commerce.

The volume of retail automobile receivables outstanding at the end of July, 1941, as reported by the 214 organizations, amounted to $1,542,871,600. These 214 organizations accounted for 95.1% of the total volume of retail financing, $210,627,987, reported for that month by the 400 organizations.

The table below presents statistics of wholesale and retail financing for 400 organizations in July; figures of automobile financing for the month of June, 1941, were published in the Aug. 30, 1941, issue of the "Chronicle," page 1193.

AUTOMOBILE FINANCING—SUMMARY FOR 400 ORGANIZATIONS

		Retail Financing					
Year and Month	Wholesale Financing Volume in Thousand Dollars	Number of Cars	Total Volume in Thousand Dollars	Number of Cars	New Cars Volume in Thousand Dollars	Used and Unclassified Cars Number of Cars	Used and Unclassified Cars Volume in Thousand Dollars
1941—							
June	231,322	508,266	238,039	179,309	129,877	326,877	108,162
July	202,022	a455,830	210,627	151,157	110,624	304,673	100,003
Tot. (7 mo. end. July)	1,683,584	3,104,927	1,442,454	1,124,486	806,638	1,980,441	635,815
1940—							
June	162,100	389,761	169,921	141,691	95,038	247,870	71,883
July	141,977	392,659	166,034	138,746	92,744	253,913	73,290
Tot. (7 mo. end. July)	1,310,944	2,420,865	1,027,542	884,477	583,181	1,536,388	444,361
1939—							
June	122,684	340,245	138,571	116,993	76,249	223,252	62,322
July	100,489	300,115	121,737	103,845	67,000	196,270	54,737
Tot. (7 mo. end. July)	950,155	2,007,132	808,591	693,659	442,853	1,313,473	365,738

a Of this number 33.2% were new cars, 66.5% were used cars, and 0.3% unclassified.

RETAIL AUTOMOBILE RECEIVABLES OUTSTANDING END OF MONTH AS REPORTED BY 214 IDENTICAL ORGANIZATIONS

	1941 $	1940 $		1941 $	1940 $
January	1,180,906,448	876,699,079	July	1,542,871,600	1,105,275,234
February	1,208,702,083	887,096,773	August	--------	1,116,928,055
March	1,255,229,506	918,645,709	September	--------	1,097,527,143
April	1,340,696,165	971,940,670	October	--------	1,114,526,350
May	1,432,542,508	1,021,533,732	November	--------	1,137,469,965
June	1,499,983,244	1,063,638,452	December	--------	1,166,050,596

June Statistics for Electric Lt. & Pr. Industry

The following statistics for the month of June, 1941, covering 100% of the electric light and power industry, were released on Sept. 16 by the Edison Electric Institute:

SOURCE AND DISPOSAL OF ENERGY—MONTH OF JUNE

	1941	1940	% Change
*Generation (net)—			
By fuel burning plants	9,614,394,000	7,272,166,000	+32.2
By water power plants	4,056,437,000	4,216,697,000	— 3.8
Total generation	13,670,831,000	11,488,863,000	+19.0
Add—Net imports over intern. boundaries	74,891,000	77,836,000	— 3.8
Less—Company use	218,493,000	133,411,000	+63.8
Less—Energy used by producer	296,010,000	406,345,000	—27.2
Net energy for distribution	13,231,219,000	11,026,943,000	+20.0
Losses and unaccounted for	1,846,417,000	1,548,200,000	+19.3
Sales to ultimate customers	11,384,802,000	9,476,743,000	+20.1
Classification of sales—			
Number of customers—As of June 30—			
Residential or domestic	25,499,311	24,458,292	+ 4.1
Rural (distinct rural rates)	951,202	667,676	
Commercial or industrial:			
Small light and power	4,282,921	4,253,022	
3			+ 0.5
Large light and power	173,570	179,625	
Other customers	117,082	112,505	
Total ultimate customers	30,974,086	29,671,120	+ 4.4
Kilowatthour sales—During month of June—			
Residential or domestic	1,909,221,000	1,798,615,000	+ 6.1
Rural (distinct rural rates)	230,945,000	211,160,000	+ 9.4
Commercial or industrial:			
Small light and power	1,980,290,000	1,799,407,000	+10.1
Large light and power	6,385,480,000	4,827,233,000	+32.3
Street and highway lighting	137,917,000	129,890,000	+ 6.2
Other public authorities	239,683,000	215,133,000	+11.4
Railways and railroads:			
Street and interurban railways	296,877,000	293,445,000	+ 1.2
Electrified steam railroads	164,292,000	145,663,000	+12.8
Interdepartmental	40,097,000	58,197,000	—31.1
Total to ultimate customers	11,384,802,000	9,478,743,000	+20.1
Revenue from ultimate customers	$215,010,100	$195,785,000	+ 9.8

Residential or Domestic Service (Revised Series)

	— 12 Months Ended June 30 —		
Average customer data—	1941	1940	% Change
Kilowatthours per customer	968	925	+ 4.6
Average annual bill	$36.69	$36.17	+ 1.4
Revenue per kilowatthour	3.79c	3.91c	— 3.1

*By courtesy of the Federal Power Commission.

Output of Steel in September Close to Peak

Reflecting the shorter month and the Labor Day shutdown observed in some plants, total steel production in September was slightly below the August total, according to a report released Oct. 9 by the American Iron and Steel Institute. Average output per week during September, however, not only exceeded the August average but was the second highest on record.

The total of 6,819,706 net tons of steel ingots and castings produced during September, compared with 7,000,957 tons in August and 6,056,246 tons in September, 1940.

Steel output in the first nine months of this year totaled 61,550,888 tons, fully 30% above output in the corresponding period of 1940 and within 8% of the record-breaking tonnage produced in the whole year 1940.

During September, the steel industry produced an average of 1,593,389 tons per week, as against 1,580,351 tons per week in August and 1,415,011 tons per week in September a year ago. Average output per week in the past month was exceeded only by the average of 1,609,851 tons per week produced in March of this year.

Production during September was equivalent to 96.4% of the industry's capacity, compared with an operating rate of 95.7% of capacity in August. In September, 1940, when capacity was substantially less than at the present time, the operating rate was 90.6%.

PRODUCTION OF OPEN HEARTH, BESSEMER AND ELECTRIC STEEL INGOTS AND STEEL FOR CASTINGS

	Estimated Production—All Companies			
	Total		Calculated weekly production, all companies (net tons)	Number of weeks in month
Period	Net tons	Percent of capacity		
1941 †				
January	6,928,085	96.9	1,563,902	4.43
February	6,237,900	96.6	1,559,475	4.00
March	7,131,641	99.7	1,609,851	4.43
1st Quarter	20,297,626	97.8	1,578,353	12.86
April	6,756,949	97.6	1,575,046	4.29
May	7,053,238	98.7	1,592,153	4.43
June	6,800,730	98.2	1,585,252	4.29
2nd Quarter	20,610,917	98.2	1,584,237	13.01
1st 6 months	40,908,543	98.0	1,581,312	25.87
July	6,821,682	93.4*	1,543,367	4.42
August	7,000,957	95.7	1,580,351	4.43
September	6,819,706	96.4	1,593,389	4.28
3rd Quarter	20,642,345	95.2	1,572,151	13.13
9 months	61,550,888	97.0	1,578,228	39.00
1940 †				
January	5,764,723	83.4	1,301,292	4.43
February	4,525,797	70.0	1,093,188	4.14
March	4,389,183	63.5	990,786	4.43
1st Quarter	14,679,703	72.3	1,129,208	13.00
April	4,100,474	61.2	955,821	4.29
May	4,967,782	71.8	1,121,395	4.43
June	5,657,443	84.5	1,318,751	4.29
2nd Quarter	14,725,699	72.5	1,131,875	13.01
1st 6 months	29,405,402	72.4	1,130,542	26.01
July	5,724,625	83.0	1,295,164	4.42
August	6,186,383	89.5	1,396,475	4.43
September	6,056,246	90.6	1,415,011	4.28
3rd Quarter	17,967,254	87.7	1,368,412	13.13
9 months	47,372,656	77.5	1,210,339	39.14
October	6,644,542	96.1	1,499,897	4.43
November	6,469,107	96.6	1,507,950	4.29
December	6,495,357	94.1	1,469,538	4.42
4th Quarter	19,609,006	95.6	1,492,314	13.14
Total	66,981,662	82.1	1,281,210	52.28

* Revised. † Based on Reports by Companies which in 1940 made 98.43% of the Open Hearth, 100% of the Bessemer and 85.82% of the Electric Ingot and Steel for Castings Production.

Note—In 1940 the percentages of capacity operated are calculated on weekly capacities of 1,410,130 net tons open hearth, 114,956 net tons Bessemer and 36,011 net tons electric ingots and steel for castings, total 1,561,097 net tons; based on annual capacities as of Dec. 31, 1939 as follows: Open hearth 73,721,592 net tons, Bessemer 6,009,920 net tons, electric 1,882,630 net tons. In 1941 the percentages of capacity operated in the first 6 months are calculated on weekly capacities of 1,430,102 net tons open hearth, 134,187 net tons Bessemer and 49,603 net tons electric ingots and steel for castings, total 1,613,892 net tons; based on annual capacities as of Dec. 31, 1940 as follows: Open hearth 74,565,510 net tons, Bessemer 6,996,520 net tons, electric 2,586,320 net tons. Beginning July 1, 1941, the percentages of capacity operated are calculated on weekly capacities of 1,459,132 net tons open hearth, 130,292 net tons Bessemer and 62,761 net tons electric ingots and steel for castings, total 1,652,185 net tons; based on annual capacities as of June 30, 1941 as follows: Open hearth, 76,079,130 net tons, Bessemer 6,793,400 net tons, Electric 3,272,370 net tons.

Portland Cement Statistics for August 1941

The portland cement industry in August, 1941, produced 16,345,000 barrels, shipped 17,825,000 barrels from the mills, and had in stock at the end of the month 19,698,000 barrels, according to the Bureau of Mines, U. S. Department of the Interior. Production and shipments of portland cement in August, 1941, showed increases of 28.6 and 27.2%, respectively, as compared with August, 1940. Portland cement stocks at mills were 8.6% lower than a year ago.

The statistics given below are compiled from reports for August, received by the Bureau of Mines from all manufacturing plants.

In the following statement of relation of production to capacity the total output of finished cement is compared with the estimated capacity of 157 plants at the close of August, 1941 and 160 plants at the close of August, 1940.

RATIO OF PRODUCTION TO CAPACITY

	Aug. 1941	Aug. 1940	July 1941	June 1941	May 1941
The month	76.5%	57.8%	74.9%	74.0%	69.4%
The 12 months ended	61.0%	48.0%	59.6%	58.3%	57.4%

PRODUCTION, SHIPMENTS AND STOCKS OF FINISHED PORTLAND CEMENT, BY DISTRICTS, IN AUGUST, 1940 AND 1941 (IN THOUSANDS OF BARRELS)

	—Production—		—Shipments—		Stocks at end of month	
	1940	1941	1940	1941	1940	1941
Eastern Pa., N. J. & Md.	2,645	3,000	2,488	3,093	4,115	3,836
New York & Maine	1,007	1,274	1,040	1,293	1,993	1,909
Ohio, Western Pa. & W. Va.	1,471	1,594	1,630	1,734	2,123	2,416
Michigan	956	841	1,138	1,144	1,747	1,718
Wis., Ill., Ind. & Ky.	1,139	1,713	1,618	2,045	1,826	1,646
Va., Tenn., Ala., Ga., La., & Fla.	1,304	1,769	1,413	1,861	1,604	1,270
Eastern Mo., Ia., Minn. & S. Dak.	1,002	1,283	1,190	1,641	2,809	2,245
W. Mo., Nebr., Kans., Okla. & Ark.	707	969	813	1,060	1,976	1,938
Texas	574	976	595	975	862	703
Colo., Mont., Utah, Wyo. & Idaho	333	431	333	493	482	373
California	1,143	1,934	1,342	1,831	1,428	1,058
Oregon & Washhington	407	517	384	610	582	586
Puerto Rico	34	44	34	45	2	0
Total	12,712	16,345	14,018	17,825	21,549	19,698

PRODUCTION, SHIPMENTS AND STOCKS OF FINISHED PORTLAND CEMENT, BY MONTHS, IN 1940 AND 1941 (IN THOUSANDS OF BARRELS)

	—Production—		—Shipments—		Stocks at end of month	
	1940	1941	1940	1941	1940	1941
January	6,205	9,021	3,893	7,934	25,759	24,416
February	5,041	8,345	4,907	7,456	25,894	25,307
March	7,918	10,596	7,716	9,915	26,118	25,983
April	10,043	12,196	10,829	14,132	25,348	24,056
May	12,633	14,732	13,206	16,048	24,758	22,745
June	12,490	15,223	13,223	16,109	24,010	21,865
July	12,290	16,000	13,442	16,687	22,855	21,178
August	12,712	16,345	14,018	17,825	21,549	19,698
September	13,105	----	14,741	----	19,921	----
October	13,935	----	15,776	----	18,008	----
November	12,725	----	10,372	----	20,353	----
December	11,195	----	8,192	----	23,379	----
Total	130,292	----	130,315	----	----	----

Asks Permission to Arm Merchantmen

(Continued from Page 629)

rumblings of revolt among the enslaved peoples—including the Germans and Italians. He fears the mounting force of American aid. He knows that the days in which he may achieve total victory are numbered.

Therefore, it is our duty, as never before, to extend more and more assistance and ever more swiftly to Britain, to Russia, to all peoples and individuals fighting slavery. We must do this without fear or favor. The ultimate fate of the Western Hemisphere lies in the balance.

I say to you solemnly that if Hitler's present military plans are brought to successful fulfillment, we Americans shall be forced to fight in defense of our own homes and our own freedom in a war as costly and as devastating as that which now rages on the Russian front.

Hitler has offered a challenge which we as Americans cannot and will not tolerate.

We will not let Hitler prescribe the waters of the world on which our ships may travel. The American flag is not going to be driven from the seas either by his submarines, his airplanes, or his threats.

We cannot permit the affirmative defense or our rights to be annulled and diluted by sections of the Neutrality Act which have no realism in the light of unscrupulous ambition of madmen.

We Americans have determined our course.

We intend to maintain the security and the integrity and the honor of our country.

We intend to maintain the policy of protecting the freedom of the seas against domination by any foreign power which has become crazed with a desire to control the world. We shall do so with all our strength and all our heart and all our mind.

Franklin D. Roosevelt.
The White House, *Oct. 9, 1941.*

Savings Stamps Week

President Roosevelt on Aug. 30 issued a proclamation designating the week of Sept. 15 to 20 as "Retailers-for-Defense Week to Aid in the Sale of Defense Savings Stamps" and called upon all Americans "to cooperate in making that week a period of outstanding achievement in the sale of defense savings stamps." The President's proclamation said:

Whereas the Secretary of the Treasury, pursuant to the authority of the Public Debt Act of 1941, is offering defense savings stamps, in small denominations, for sale to the people of the United States; and

Whereas national trade associations of our country representing more than 1,000,000 retail stores have pledged the whole-hearted support of their members in assisting the Treasury Department to sell defense savings stamps, and have agreed to observe the week of Sept. 15 to 20, 1941, as Retailers-for-Defense Week to Aid in the Sale of Defense Savings Stamps, and to make an intensive effort during that time to acquaint the American shopping public with the advantages of buying defense savings stamps:

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby designate the week of Sept. 15 to 20, 1941, as Retailers-for-Defense Week to Aid in the Sale of Defense Savings Stamps, and do call upon the people of the United States to cooperate in making that week a period of outstanding achievement in the sale of defense savings stamps.

F. P. Champ Elected President of Mortgage Bankers Association at Annual Convention

Frederick P. Champ of Logan, Utah, was elected President of the Mortgage Bankers Association of America at the closing session of the organization's 28th annual convention held in New York City on Oct. 3. He succeeds Dean R. Hill of Buffalo, N. Y. Charles A. Mullenix of Cleveland was elected Vice President. Mr. Champ, who is the first "farm man" in 20 years to head the national association, is head of the Utah Mortgage Loan Corp. and the Cache Valley Banking Co. of Logan. Mr. Mullenix is President of The Cuyahoga Estates, Inc., in Cleveland.

Four new regional vice-presidents were also elected and include: Harold G. Woodruff, President, H. G. Woodruff, Inc., Detroit; L. E. Mahan, President, L. E. Mahan & Co., St. Louis; Wallace Moir, President, The Belmont Co., Los Angeles, and John C. Thompson, President, New Jersey Realty Co., Newark. Mr. Thompson was also named a governor.

Frank J. Mills, Cashier, Ft. Wayne, Indiana, National Bank, was re-elected a governor and six new members were named to posts on that body. They include:

> Charles H. Sill, Vice-President, Drennan & Sill., Inc., Detroit; Joseph M. Miller, President, Miller Mortgage Co., New Orleans; W. L. King, President, Boss & Phelps, Inc., Washington, D. C.; Frank H. Wolff, President, W. K. Ewing Co., San Antonio; Frank L. Wilkinson, President, Shryock Realty Co., Kansas City; and W. Eugene Harrington, Vice-President, Spratlin, Harrington & Thomas, Atlanta.

Principal speakers at the closing session of the convention were Charles F. Palmer, Coordinator of Defense Housing; George S. Van Schaick, Vice-President, New York Life Insurance Co.; and Virgil Jordan, President, National Industrial Conference Board.

"The defense program and the effect of priorities aren't going to put you out of business but you are going to have to make sacrifices—you cannot expect 'business a usual' under these conditions," Mr. Palmer told the mortgage bankers; he added:

> I must tell you bluntly—the mortgage business is going to be curtailed. These defense homes cannot exceed $6,000 in value and must be built in defense areas for defense families. You cannot expect "business as usual" under these conditions. I do not bring you the message that we in Washington guarantee, through the housing priorities system, continued normal prosperity for mortgage banking. But I can assure you that this priorities plan does guarantee certain things. It means that mortgage banking will not be ruined by a sudden, drastic curtailment of private building; it means that you will continue to serve the countrys' economic system in a highly important way.

Concerning the matter of priorities in building materials, Mr. Palmer said:

> The Government has no intention of favoring public housing as such but only of favoring whatever use of scarce materials is deemed to be the most valuable for defense. The chief difficulty in construction work from now on is the scarcity of materials.

The pro-Nazis in this country have tried to persuade the American people that this Administration plans to set up a system of controls just as bad as Hitler's as soon as the war is over. . . . Hitler's attack on civilization may be forcing us to accept a lot more regimentation than anybody wants, because regimentation is necessary to win the war, but if anyone thinks the American people, or the Administration, will go on after the way trying to run a priority system just for the fun of it, they have simply been taken in by isolationist propaganda.

In his talk, Mr. Jordan predicted American entry into the war by next March, with blockade, bombardment and invasion of western Europe. With actual hostilities, Mr. Jordan said, the American Republic would have virtually disappeared. He went on to say:

> The state is now, and has been for a decade, engaged in a systematic process both of confiscating private property for its own use and redistributing it among its dependents and adherents in the community.
>
> It should be recognized that this organic alteration of the former American economic system has been carried along precisely the same lines as those which the surgeons of the new order in Europe have followed. We are presently witnessing in this country the progressive application and acceptance of the corporative principle of economic organization. A form of corporative state even more complete and perfect than has so far been developed in Italy or Germany will have been established in America.

The principal reason for the tremendous growth of suburbs with their drain on city population rests in no involved economic explanation but in one word—"children," James A. McLain, President of The Guardian Life Insurance Co. of America, New York, told members of the Mortgage Bankers Association of America on Oct. 2 at the second session of their convention at the Hotel Roosevelt. Eleven other life insurance executives and eight bankers and mortgage bankers spoke at the all-day session devoted to conventional type mortgage loans. More freedom for children has been the biggest contributing factor in stimulating the movement from cities, Mr. McLain said, adding that it has now reached a point where it has become serious for apartment house property values.

Mr. McLain said the situation in New York was serious and that real estate interests have inaugurated a publicity campaign to combat the migratory movement of apartment tenants from the city. Income derived from capital invested in New York apartments is in grave danger, he said.

John A. Lloyd, Superintendent of Insurance of Ohio, delivered the principal address of the session speaking on "Mortgage Problems That Should Be Considered by the Producer." There is danger of a definitely inflationary cost of building and it behooves lenders to keep a respectful distance behind the market, declared T. S. Burnett, manager, mortgage loan department, the Pacific Mutual Life Insurance Co., Los Angeles, in an address on the effect of increased building costs on property valuations. "The danger point in building costs has not yet been reached but costs will rise so rapidly that this point will come unnoticed and will be passed with a rush."

President Establishes New OPM Division To Spread Defense Contracts More Widely

President Roosevelt, in an executive order issued Sept. 4, established a new division in the Office of Production Management to spread defense orders among more smaller firms and to alleviate unemployment resulting from priorities and material shortages. The new agency, to be known as the Division of Contract Distribution, will be directed by Floyd B. Odlum of New York head of the Atlas Corporation, an investment trust company. A White House statement issued Sept. 4 indicated that the action was taken "in furtherance of a determined move on the part of the Administration to help the smaller business units of the country obtain a fair share of the defense orders and to prevent, so far as possible, dislocation of industry and unemployment of workers in plants where production has been curtailed by priorities and material shortages."

The President announced the new program after consulting with representatives of the Army Navy, Maritime Commission and OPM.

Saying that the Labor Division and the Defense Contract Service of the OPM have already done a great deal in starting the subcontracting and reemployment machinery, the statement explained that the program is now to be greatly expanded thoughout each part of the United States, as one of the most important functions of OPM. The White House statement further said:

> Through this division, the Office of Production Management will be enabled more effectively to adjust the dislocations and alleviate unemployment resulting from priorities and material shortages, and bring about maximum use of the nation's factories and industrial plants, especially the smaller ones throughout the nation. This will be done through four major steps:
>
> 1. The breaking down of large orders of supplies into smaller units, and spreading the purchases among more firms and in all localities possible.
> 2. Providing assistance through the labor division of OPM in retraining and obtaining re-employment for workers who are unemployed as a result of the shutting down of some plants or reduction of their output.
> 3. The effective distribution of defense contracts to the smaller business enterprises, as yet largely unused, through an expanded use of subcontracting, contract distribution, and the pooling of plant facilities.
> 4. By providing a staff of industrial and production engineers to formulate and execute specific plans for the conversion of non-defense industries and plants to defense production.
>
> The division will formulate and promote plans and programs for the purchase of supplies for the Army and Navy in smaller units, but among a greater number of firms and in as many different localities as possible.
>
> It will also formulate and develop programs for the conversion of plants and industries from civilian to defense production—with the assistance of the government wherever necessary.
>
> It will formulate the organization and use of local industrial defense production associations and will promote and stimulate farming out of defense work and subcontracting wherever feasible.
>
> The Division of Contract Distribution will provide an industrial engineering staff, whose responsibility it will be to obtain the maximum use of existing facilities and tools by assisting manufacturers and business enterprises in making the necessary changes in their tools and equipment for effective use in defense production.
>
> The field offices of the Division of Contract Distribution will be adequately staffed to render needed assistance to business men. Procurement agencies of the government will assign representatives to the main office and field offices, as required for purposes of liaison.
>
> In the various cities will be established exhibits, or "market places," where there will be displayed specific parts — "bits and pieces" — the componets needed for defense production. These may be parts of a machine gun or an airplane or tank, or any one of a thousand other items which are needed.
>
> These "bits and pieces" will be labeled as to the quantities needed and the machine tools and operations required for their production, so that any machine shop owner or manufacturer can determine whether his facilities are capable of producing such items.
>
> Subcontracting arrangements can then be entered into on the basis of what an individual sees he is capable of doing, receiving then and there the expert industrial and engineering judgment of those whose assistance he may desire.
>
> The Division of Contract Distribution will also provide through the regular commercial banking channels, the Reconstruction Finance Corporation, including the Defense Supplies Corporation and the Defense Plant Corporation, and the Federal Reserve Banks and their branches, the necessary financing facilities for local industrial production associations, prime contractors and subcontractors, and will recommend whenever necessary such additional financial procedures and machinery as may be required to obtain the maximum utilization of existing plant and tool facilities for defense purposes.
>
> The director of the division is to appoint two advisory committees—one to consist of representatives of small business organizations; the other to consist of industrial, management and production engineers.
>
> It is intended, on the one hand, to face the responsibility of alleviating the hardships which have resulted from the defense program and, on the other, to marshal our productive capacities to the objective that no plant or tool which can be used for defense shall be allowed to remain idle.

With respect to the new division, Mr. Odlum said in a statement on Sept. 5 that "in a nutshell its work will be to accelerate defense production to the maximum through spreading contracts more widely among the smaller businesses throughout the nation." In part he also said:

> This will also help directly in utilizing idle labor and idle plant facilities. It will stimulate conversion of certain facilities to defense purposes that might otherwise become idle due to shortage of certain raw materials for less essential civilian use.
>
> There are sure to be dislocations in some industries catering to less essential civilian uses because of shortages of raw materials, and their allocations and priorities. Such disruptions for both employees and investors should be minimized by speedy conversion of such plants to defense production.

Mr. Odlum added that he has been granted a temporary leave from his Atlas Corporation post in order to head the new division.

ABA Brochure on Consumer Credit Rules

A practical guide interpreting the consumer credit regulations laid down by the Board of Governors of the Federal Reserve System has been prepared by the Consumer Credit Department of the American Bankers Association and is being distributed to the Association's entire membership, it is announced by Walter B. French, A.B.A. Deputy Manager in charge of the department. The guide, in booklet form, has been prepared as a manual to aid banks engaging in consumer credit lending to conform with the new regulations promulgated by the Reserve Board, Mr. French said. In addition, the booklet is designed to be of assistance to the equipment and automobile dealers and agents whose paper the banks handle.

The 57 page manual includes the text of the executive order issued by the President covering the emergency regulation of consumer credit, the full text of the regulations set forth by the Reserve Board in pursuance of the order, and interlined interpretations of the Board's regulations which have been drawn up by both the Reserve Board and the A.B.A.'s consumer credit experts. In addition, the booklet contains numerous specific questions concerning the application of the regulations and their answers. Statistical presentations of hypothetical consumer credit loans made under the new regulations are included. Copies of the booklet may be obtained at the Association's New York headquarters.

Rayon Shipments Down

Shipments of rayon filament yarn to domestic consumers during August declined from the July level, according to the current issue of the "Rayon Organon," published by the Textile Economics Bureau, Inc., New York. Deliveries during August aggregated 37,300,000 pounds as compared with 39,400,000 pounds in July and 34,000,000 pounds in August, 1940. For the eight months ended Aug. 31, 1941, domestic shipments of yarn to consumers amounted to 296,000,000 pounds as compared with 252,300,000 pounds delivered during the corresponding period in 1940, an increase of 17%. Stocks of rayon filament yarn in the hands of producers continue low, amounting to 4,100,000 pounds on Aug. 31, as compared with 3,600,000 pounds at the end of July.

Net deliveries of silk to American mills in August amounted to 2,069 bales as compared with an estimated delivery figure of 28,328 bales in July. The small August total reflects, naturally, the current raw silk situation.

Aircraft Output Rising

The Office of Production Management announced Sept. 4, that military aircraft manufacturers delivered 1854 airplanes during August. This figure represents an increase of 27% over the 1460 planes delivered in July but, in comparing the figures, consideration should be given to the fact that July deliveries were reduced because of the then existing shortage of propellers.

Aircraft deliveries in other recent months have been as follows: June, 1476; May, 1,334; April, 1,389; March, 1,216, February, 972; January, 1,036. 1940—December, 900; November, 779; October, 742; September, 670; August, 586; July, 547.

Venezuela Whole Heartedly Behind Roosevelt In Defense Efforts for Western Hemisphere

Venezuela is whole-heartedly behind the efforts of President Roosevelt for the defense of the Western Hemisphere, Guillermo Tamayo, President of the Caracas Chamber of Commerce said on Sept. 17 at the New York State Chamber of Commerce where he was the guest of honor at a luncheon. He expressed the belief that the close commercial and cultural relations which now existed between the United States and his country would continue and grow stronger after the war. H. Boardman Spalding, Chairman of the Executive Committee of the New York Chamber, presided at the luncheon which was attended by bankers, shipping executives, exporters and other industrialists. Dr. Francesco J. Parra, Consul General of Venezuela in New York, and Emilio Franklin, Secretary of the Venezuelan Chamber of Commerce in the United States, were also guests of honor.

Mr. Spalding said that Venezuela and the United States had common ties, both having won their independence from European monarchies and both having adopted similar forms of democratic government. He expressed amazement, however, with world conditions as they are, there could remain any nation which had neither a national or foreign debt, as is the case with Venezuela.

Dr. Parra, who has been in New York only a short time, spoke briefly in Spanish. He had been pleased to find his country held in such high regard in the United States, he said, and had recommended that Venezuela do everything it could to foster the closest relations with this country. Other guests at the luncheon were:

Frederick E. Hasler, Chairman, Continental Bank & Trust Co.; Charles E. Bingham, Vice President, Bingham & Co., Inc.; Herman Brock, Vice President, Foreign Dept., Guaranty Trust Co.; Harold Clark, Asst. Sec'y and Asst. Treas., International Nickel Co.; Emilio Godoy, W. R. Grace & Co.; Carl C. Jensen, President, Gillespie & Co. of New York, Inc. Clinton Johnson, Manager, Foreign Dept. Chemical Bank & Trust Co., F. C. Laurie, Lago Petroleum Corp; Richard W. Lawrence, President, Bankers Comm. Corp.; Commander Robert C Lee, Exec. Vice-Pres. Moore-McCormack Lines; Louis Naetzker, Vice-Pres., National City Bank; Winchester Noyes, President of J. H. Winchester & Co. Inc.; Louis Rosenthal Vice-President, Chase National Bank; J. A. Stahl, Assistant Vice-President, Bankers Trust Co.; Robert A. Suffern, of Bernard Semel, Inc.; Charles T. Gwynne, Executive Vice-President and B. Colwell Davis, Jr., Secretary of the New York Chamber.

President Establishes Office Of Health Defense And Welfare Services Under McNutt

President Roosevelt on Sept. 3 established the Office of Health Defense and Welfare Services in the Office for Emergency Management, naming Paul V. McNutt, Federal Security Administrator, as director. Mr. McNutt has been head of the Office for Coordination of Health, Welfare and "other related fields of activity affecting the National Defense"—a post to which he was named in December, as was noted in these columns Dec. 14, page 3485, and in which capacity, it was indicated, he would work in cooperation with the Advisory Commission to the Council of National Defense. In its advices from Washington on Sept. 3 the New York "Times" said:

> While there is great similarity between the definitions of powers and duties for the old and the new organizations, the change led Mr. McNutt to say, on leaving the White House today, that the action amounted to "putting more teeth" in health, welfare, educational, nutritional and recreational activities.
>
> It was explained at the Security Administration that a section in the proclamation requiring the new defense unit "to cooperate and work in conjunction with the Office of Civilian Defense in its relationships with State and local groups" did not mean that the organization would replace that of the Office of Civilian Defense in health and welfare matters.
>
> It was pointed out that the Security Administration received broad duties under the defense structure a long time before the OCD was created, and that while it would have charge of the disposition of all Federal assistance in connection with defense and its effects on civilian population, the OCD would have its own voluntary health and welfare organization.

W. B. French Urges Compliance With Federal Reserve Consumer Credit Regulations

Full compliance with the spirit as well as the letter of the regulations laid down by the Federal Reserve Board to curb excessive expansion of consumer credit, was urged upon banks making consumer credit loans by Walter B. French, Deputy manager of the American Bankers Association, in an address before a meeting of the Iowa Bankers Association at Des Moines on Sept. 9.

Whether or not the regulations will prove fully successful in curtailing the demand for the products of industry that draw upon the nation's supply of raw materials used for defense production, or in checking inflationary tendencies produced by rapidly mounting payrolls and wages, remain yet to be determined, Mr. French asserted. How-ever, he declared, "as long as these and subsequent regulations to govern the granting of consumer credit remain in force, bankers are urged to comply with the very spirit of the order, to the end that the Federal Reserve Board may have in the banking fraternity not only a large consumer credit lender that understands its task fully, but also a lender that is ready and willing to give full cooperation." Mr. French went on to state:

> The Federal Reserve Board is perhaps the best qualified of all governmental agencies to submit and administer the regulations, because the members of the Board are familiar with all the credit needs of the country both public and private. This agency more than any other should recognize that too great a contraction of consumer credit would have an adverse effect upon employment and business generally, and in many cases would work a hardship on the consumer himself.
>
> Only the actual experience of operating under the regulations will indicate whether the terms are practical to lenders and satisfactory to the Federal Reserve Board in accomplishing the aims and purposes of the President's executive order.
>
> The regulations issued thus far by the Federal Reserve Board would appear to be fair and should result in no undue hardship to either borrowers or lenders and yet, in the light of current termss, the regulations do represent definite curtailment.
>
> While it is recognized that in times of national emergency many sacrifices are necessary for the common good, at the same time we believe it is important that no regulations be issued that would work an undue hardship on either lender or borrower. Instalment lending is now a definite part of our economy and hundreds of thousands of consumers have become accustomed to using some form of consumer credit periodically to supply their needs in goods and services. Too great a contraction at any time would operate primarily against those of small income.

Certain Repair Parts Get Priority Ratings

A new preference rating order giving essential industries a simple method for obtaining vital repair parts was announced Sept. 9 by Donald M. Nelson, new Priorities Director of the Office of Production Management.

The new plan permits qualified producers or suppliers to apply the A-10 rating for repair parts, required by 20 industries, without any application to the OPM. A qualified industry merely notes on an order that it is entitled to apply preference rating.

The new plan takes the place of the maintenance and repair order which was announced Aug. 8 by E. R. Stettinius, Jr., former OPM Priorities Director, but which, according to Mr. Nelson, "was never actually issued because of administrative difficulties in handling the paper work it would have involved." The original plan was referred to in these columns Aug. 16, page 925. The new plan applies to the following industries:

> Chemicals, coke converting, educational institutions, farm machinery and equipment, food processing or storing plants, highway maintenance, hospitals, lumber plants, metallurgy, mines and quarries, newspapers, petroleum (production, refining and transportation), radio, research laboratories, rubber and rubber products, shipyards and ship repair yards, telephone and telegraph communication, Government fire and police services, and carriers (railroads, terminals, shipping, cars and busses).

Priorities Director Nelson announced on Sept. 8 that in the future, applications for preference ratings and mail inquiries will be handled within 48 hours after they are received. In the past week it is stated thousands of pieces of mail and thousands of applications for preference ratings which had accumulated during the past several weeks were completed processed and are now on their way back to industry.

Lumber Movement Week Ended Aug. 30, 1941

Lumber production during the week ended Aug. 30, 1941, was 8% less than the previous week; shipments were 0.4% less; new business 14% less, according to 8% fewer reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 11% above production; new orders 18% below production. Compared with the corresponding week of 1940 production was 10% greater, shipments 11% greater, and new business 29% less. The industry stood at 122% of the average of production in the corresponding week of 1935-39 and 135% of average 1935-39 shipments in the same week. The Association's reports further stated:

Year-to-date

Reported production for the 35 weeks of 1941 to date was 13% above corresponding weeks of 1940; shipments were 16% above the shipments and new orders were 14% above the orders of the 1940 period. For the 35 weeks of 1941 to date, new business was 9% above production, and shipments were 6% above production.

Supply and Demand

The ratio of unfilled orders to gross stocks was 42% on Aug. 30, 1941, compared with 29% a year ago. Unfilled orders were 22% greater than a year ago; gross stocks were 17% less.

Softwoods

Record for the current week ended Aug. 30, 1941, for the corresponding week of a year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods

	1941 Week	1940 Week	1941 Prev. Week (Rev.)
Mills	420	420	455
Production	275,289	250,372	298,628
Shipments	305,926	275,984	307,156
Orders	225,183	318,632	261,637

	Softwoods 1941 Week		Hardwoods 1941 Week	
Mills	343		85	
Production	264,212-	100%	11,077-	100%
Shipments	294,752	112	11,174	101
Orders	216,487	82	8,696	78

Consumer Credit Aide

In order to assist in the development of regulations relative to consumer credit, the Board of Governors of the Federal Reserve System announced on Sept. 4 that is has engaged the services of Irvin Wesley, who is on leave of absence from the Lincoln Loan Corp., Indianapolis, Ind., of which he is Executive Vice President. According to the Board's announcement, Mr. Wesley's entire business life has been spent in the field of consumer credit, and during the last 15 years he has been in the personal finance business. He has been for ten years on the Board of Directors of the American Association of Personal Finance Companies and is at present one of the six members of the "Commission for Financial Institutions" for the State of Indiana.

Heads K. C. Reserve Bank

H. G. Leedy, First Vice President and General Counsel of the Federal Reserve Bank of Kansas City, was named President of that institution on Aug. 28. He succeeds George H. Hamilton, who resigned March 1 because of age limitations of the Federal Reserve System. Other changes in the Bank's staff include the naming of Henry O. Koppang of Washington as First Vice-President and the appointment of D. W. Wooley as Vice President. J. W. Helm retains his post as Vice-President and Cashier. Mr. Leedy, a native of Benton, Mo., has been associated with the Federal Reserve Bank since 1924 and has been an officer since 1938.

Commodity Rules Stricter

The Commodity Exchange Administration on Sept. 8 tightened its rules requiring large traders in oil and lard futures to report daily on the amounts of their holdings. The move, announced as a step to bring about closer supervision of future trading, said the Associated Press, which added:

> Under the new rules, all traders owning or controlling cotton-seed oil futures amounting to 300,000 pounds or more in one delivery month on one market must report daily to the CEA. The former requirement affected only those traders with contracts of 900,000 pounds or more.
>
> The new regulation extended the reporting requirement for lard to all holders of future contracts of 250,000 pounds or more in one delivery month compared with a previous level of 750,000.
>
> The new regulations, affecting the New York Produce Exchange, the New Orleans Cotton Exchange and the Chicago Board of Trade, cover all facts and oils, but the CEA said cottonseed oil and lard are the only ones in which there is active trading at present.

Cotton Release Terms

The Department of Agriculture announced on Sept. 6 that persons who purchased the equity of producers in 1938, 1939, and 1940 loan cotton prior to Oct. 1, 1941, will be allowed 15 days in which to submit the standard release form to Commodity Credit Corporation. This provision, officials of the CCC explained, will permit cotton covered by Form R, dated between Sept. 15, 1941 and Oct. 1, 1941, and received by the CCC or postmarked within 15 days from the date of the forms, to be released to the purchaser or transferee named in the form after Oct. 1, 1941.

The Department announced on July 31, 1940 that all of this cotton not redeemed by Oct. 1, 1941, would be placed in pools and sold in an orderly manner by the CCC (see issue of Aug. 9, page 859). In most cases producers sell the equity in their loan cotton to merchants who redeem the collateral. The release of loan cotton after Oct. 1, 1941, when the producer has disposed of his equity prior to that date, will allow the usual time for executing the standard form of release.

Haitian Bonds Payment

The National City Bank of New York has been notified by the Fiscal Representative of the Republic of Haiti that it is the intention of the Republic, due to unexpected improvement in Haitian revenues during recent months, to pay the balance due on the April 1, 1941 and the full face amount of the Oct. 1, 1941 coupons on the following issues:

Republic of Haiti customs and general revenues external thirty year sinking fund gold bonds 6% series C due Oct. 1, 1953.

Republic of Haiti customs and general Revenues external thirty year sinking fund gold bonds 6% series C due Oct. 1, 1953.

Fertilizer Association Commodity Price Index Down After Recovery in Previous Week

The general level of wholesale commodity prices was lower last week, according to the price index compiled by The National Fertilizer Association. In the week ended Oct. 11 this index stood at 116.8% per cent of the 1935-1939 average. It registered 117.2 in the preceding week, 115.8 a month ago, and 97.4 a year ago.

The chief changes during the week were marked declines in farm products and textiles and a moderate rise in fuels. The food price index moved to lower levels with 14 items included in the group average declining and only 5 advancing. In the farm products group, cotton, grains, and most livestock prices declined, resulting in a sharp drop in the farm product index. Lower quotations for raw cotton and certain cotton goods, which more than offset higher woolen yarn prices, resulted in the loss of most of the weekly gains made by the textile index in a month. Although the price of rubber was slightly higher, decreases in cottonseed meal and cattle feed were sufficient to cause a small decline in the index of miscellaneous commodities. The rise in the fuel index was due to an upturn in the price of bunker oil. A new peak was reached by the index of industrial commodities. The only other group index to change during the week was fertilizer materials which registered a fractional increase.

During the week declines in price series included in the index outnumbered advances 30 to 12; in the preceding week there were 16 declines and 22 advances; in the second preceding week there were 21 declines and 17 advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

1935-1939=100*

% Each Group Bears to the Total Index	GROUP	Latest Week Oct. 11 1941	Preceeding Week Oct. 4 1941	Month Ago Sept. 6 1941	Year Ago Oct. 12 1940
25.3	Foods	113.4	114.0	112.6	90.1
	Fats and Oils	127.0	130.3	125.5	63.9
	Cottonseed Oil	154.4	159.6	150.7	60.4
23.0	Farm Products	116.4	118.4	119.6	87.4
	Cotton	157.6	161.6	162.3	87.1
	Grains	105.5	108.6	108.5	83.0
	Livestock	110.8	112.2	114.2	87.2
17.3	Fuels	112.3	110.8	110.6	101.3
10.8	Miscellaneous Commodities	127.2	127.5	124.6	108.8
8.2	Textiles	138.3	139.3	138.0	105.3
7.1	Metals	103.5	103.5	103.8	103.0
6.1	Building Materials	131.0	131.0	119.5	113.5
1.3	Chemicals and Drugs	111.9	111.9	106.3	103.5
.3	Fertilizer Materials	114.4	114.3	112.7	103.8
.3	Fertilizers	107.1	107.1	107.1	103.0
.3	Farm Machinery	99.7	99.7	99.3	99.3
100.0	All Groups Combined	116.8	117.2	115.8	97.4

*Base period changed Jan. 4 from 1926-1928 average to 1935-39 average as 100. Indexes on 1926-1928 base were: Oct. 11, 1941, 91.0; Oct. 4, 1941, 91.3; Oct. 12, 1940, 75.9.

Electric Output for Week Ended Oct. 11, 1941 Shows Gain of 17.7% Over Like Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Oct. 11, 1941 was 3,314,952,000 kwh. The current week's output is 17.7% above the output of the corresponding week of 1940, when production totaled 2,817,465,000 kwh. The output for the week ended Oct. 4, 1941 was estimated to be 3,289,692,000 kwh., an increase of 17.8% over the like week a year ago.

PERCENTAGE INCREASE FROM PREVIOUS YEAR

Major Geographic Regions	Week Ended Oct. 11, '41	Week Ended Oct. 4, '41	Week Ended Sept. 27, '41	Week Ended Sept. 20, '41
New England	20.7	19.9	18.9	18.4
Middle Atlantic	16.6	14.8	10.8	14.2
Central Industrial	19.6	20.7	17.4	18.2
West Central	15.7	16.8	13.1	13.6
Southern States	19.3	20.2	16.8	22.6
Rocky Mountain	20.3	19.1	17.1	10.3
Pacific Coast	x10.6	x10.4	9.6	x10.7
Total United States	17.7	17.8	14.8	16.7

x Percentage should be higher; data under revision.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended	1941	1940	*Percent Change 1941 from 1940*	1939	1938	1937
June 7	3,042,128	2,598,812	+17.1	2,328,756	2,056,509	2,266,759
June 14	3,066,047	2,664,853	+15.1	2,340,571	2,051,006	2,260,771
June 21	3,055,841	2,653,788	+15.2	2,362,436	2,082,232	2,287,420
June 28	3,120,780	2,659,825	+17.3	2,395,857	2,074,014	2,285,362
July 5	2,866,865	2,425,229	+18.2	2,145,033	1,937,486	2,139,281
July 12	3,141,158	2,651,626	+18.5	2,402,893	2,154,099	2,358,438
July 19	3,162,586	2,681,071	+18.0	2,377,902	2,152,779	2,321,531
July 26	3,183,925	2,760,935	+15.3	2,426,631	2,159,667	2,312,104
Aug. 2	3,226,141	2,762,240	+16.8	2,399,805	2,193,750	2,341,103
Aug. 9	3,196,009	2,743,284	+16.5	2,413,600	2,198,266	2,360,930
Aug. 16	3,200,818	2,745,697	+16.6	2,453,556	2,206,560	2,365,859
Aug. 23	3,193,404	2,714,193	+17.7	2,434,101	2,202,454	2,351,233
Aug. 30	3,223,609	2,736,224	+17.8	2,442,021	2,216,648	2,380,301
Sept 6	3,095,746	2,591,957	+19.4	2,375,852	2,109,985	2,211,398
Sept 13	3,281,290	2,773,177	+18.3	2,532,014	2,279,233	2,338,370
Sept 20	3,232,192	2,769,346	+16.7	2,538,118	2,211,059	2,231,277
Sept 27	3,233,278	2,816,358	+14.8	2,558,538	2,207,942	2,331,415
Oct. 4	3,289,692	2,792,067	+17.8	2,554,290	2,228,586	2,339,384
Oct. 11	3,314,952	2,817,465	+17.7	2,583,366	2,251,089	2,324,750
Oct. 18	------	2,837,730	---	2,576,331	2,281,328	2,327,212
Oct. 25	------	2,866,827	---	2,622,267	2,283,831	2,297,785
Nov. 1	------	2,882,137	---	2,608,864	2,270,534	2,245,449

DATA FOR RECENT MONTHS (Thousands of Kilowatt-Hours)

	1941	1940	*Percent Change 1941 from 1940*	1939	1938	1937
January	13,149,116	11,683,430	+12.5	10,183,400	9,290,754	9,787,901
February	11,831,119	10,589,428	+11.7	9,256,313	8,396,231	8,911,125
March	12,882,642	10,974,335	+17.4	10,121,459	9,110,808	9,886,443
April	12,449,229	10,705,682	+16.3	9,525,317	8,607,031	9,573,698
May	13,218,633	11,118,543	+18.9	9,868,962	8,750,840	9,665,137
June	13,231,219	11,026,943	+20.0	10,068,845	8,832,736	9,773,908
July		11,616,238	---	10,185,255	9,170,375	10,036,410
August		11,924,381	---	10,785,902	9,801,770	10,308,884
September		11,484,529	---	10,653,197	9,486,866	9,908,314
October		12,474,727	---	11,289,617	9,844,519	10,065,805
November		12,213,543	---	11,087,866	9,893,195	9,506,495
December		12,842,218	---	11,476,294	10,372,602	9,717,471
Total for yr.		138,653,997		124,502,309	111,557,727	117,141,591

Labor Bureau's Wholesale Price Index Is Again Up Slightly During Oct. 4 Week

Commodity prices in wholesale markets rose 0.4% during the week ended Oct. 4 following their decline of the previous two weeks, Acting Commissioner Hinrichs of the Bureau of Labor Statistics reported on Oct. 9 "The sharp advances in prices for foodstuffs and some farm products and the increased tax on alcohol brought the all-commodity index back to 91.6% of the 1926 average, the mid-September high point," Mr. Hinrichs said. The index is now 17.7% higher than a year ago."

Average wholesale prices for foods rose 2.4% during the week and were about 27% above a year ago. Outstanding changes in wholesale food prices were more than 7% for fruits and vegetables; 4% for cereal products; and 2.3% for dairy products. Higher prices were also reported for fresh milk in the Chicago market, powdered milk, cheese and butter; for bread at New York, flour and corn meal; for most fresh fruits and vegetables; for fresh beef at New York, and for lamb; and for eggs, lard, raw sugar, tea, cocoa beans, edible tallow and cottonseed and olive oils. Quotations were lower for rice, macaroni, fresh and cured pork, and for pepper.

Wholesale prices for farm products rose 0.4% and are now about 38% higher than a year ago. Prices for grains, except corn, advanced Prices were also higher for cotton, hops and seeds. Average prices for livestock and poultry declined 2.9% as a result of lower prices for cows, steers, hogs, sheep and live poultry in the New York market. Prices were higher for calves and for live poultry at Chicago.

Except for higher prices for certain chemicals and drugs, due largely to increased taxes, and lower prices for lumber, changes in industrial commodity markets were relatively narrow under the influence of government regulation for a wide range of products Cotton and woolen and worsted yarns and materials continued to rise and prices were higher for cordage.

Lower prices for gum, oak and certain types of yellow pine lumber and for maple flooring largely accounted for a decline in the building materials group index. Quotations for tung oil, turpentine, lime and sand were higher.

Marked increases occurred in prices for ethyl alcohol, crude naphthalene and sulfur olive oil. Soap continued to advance.

Average wholesale prices for cattle feed dropped 1.7% during the week.

The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Sept. 6, 1941 and for Oct. 5, 1940 and the percentage changes from a week ago, a month ago, and a year ago; (2) percentage changes in subgroup indexes from Sept. 27 to Oct. 4, 1941.

WHOLESALE PRICES FOR WEEK ENDED OCT. 4, 1941

(1926 = 100)

						Percentage changes to Oct. 4, 1941, from—		
Commodity Groups	10-4 1941	9-27 1941	9-20 1941	9-6 1941	10-5 1940	9-27 1941	9-6 1941	10-5 1940
All commodities	91.6	91.2	91.5	91.0	77.8	+0.4	+0.7	+17.7
Farm products	90.3	89.9	91.2	89.1	65.5	+0.4	+1.3	+37.9
Foods	89.7	87.6	88.5	88.6	70.7	+2.4	+1.2	+26.9
Hides and leather products	112.4	112.3	111.7	111.2	99.9	+0.1	+1.1	+12.5
Textile products	89.9	89.6	89.2	88.3	72.5	+0.3	+1.8	+24.0
Fuel and lighting materials	80.1	80.1	80.0	79.9	72.3	0	+0.3	+10.8
Metals and metal products	98.7	98.7	98.7	98.7	95.8	0	0	+3.0
Building materials	105.9	107.0	106.2	106.0	96.5	—1.0	—0.1	+9.7
Chemical and allied products	89.7	88.1	87.8	86.0	76.8	+1.8	+4.3	+16.8
Housefurnishing goods	98.5	98.3	98.0	97.1	90.1	+0.2	+1.4	+9.3
Miscellaneous commodities	85.0	85.1	85.0	84.5	76.4	—0.1	+0.6	+11.3
Raw materials	89.5	89.0	89.8	88.5	70.4	+0.6	+1.1	+27.1
Semi-manufactured articles	90.5	90.3	90.1	90.0	78.6	+0.2	+0.6	+15.1
Manufactured products	93.0	92.7	92.8	92.6	81.6	+0.3	+0.4	+14.0
All commodities other than farm products	91.9	91.5	91.6	91.4	80.5	+0.4	+0.5	+14.2
All commodities other than farm products and foods	92.0	92.0	91.8	91.4	82.9	0	+0.7	+11.0

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM SEPT. 27 TO OCT. 4, 1941

Increases

Drugs and pharmaceuticals	17.3	Clothing	0.4
Fruits and vegetables	7.1	Woolen and worsted goods	0.4
Cereal products	4.1	Hides and skins	0.4
Other farm products	2.9	Furnishings	0.4
Dairy products	2.3	Hosiery and underwear	0.3
Other foods	1.3	Other textile products	0.2
Grains	1.2	Shoes	0.2
Meats	0.7	Bituminous coal	0.1
Plumbing and heating	0.6	Paper and pulp	0.1
Cotton goods	0.6	Other miscellaneous	0.1

Decreases

Lumber	3.4	Cattle feed	1.7
Livestock and poultry	2.9		

Urges Definition of U. S.-British Trade

International trade is hampered by many currency systems abounding in restrictions and preferences which are closely related to trade barriers and discriminations, prejudicing the natural trade relationships of the United States with other nations.

* * *

It is recommended that the banking and monetary and trade authorities of the United States and of other countries should exchange views promptly in the interest of mutually beneficial currency stabilization arrangements, supported by adequate gold reserve funds to render any agreed action effective.

Without deferring such stabilization agreements as are now possible, eventually we should be willing to entertain important gold lending operations, in order to assist other nations to rehabilitate themselves and to reestablish their monetary systems based on gold.

The Convention recommends that our Government in the negotiation of reciprocal trade agreements or agreements providing financial accommodation to countries which employ the use of exchange control as a source of revenue, should stipulate the abandonment of this practice, as it constitutes an undue burden on our foreign trade.

The Convention, in its Declaration, voiced its views on Lend-Lease aid as follows:

> The exigencies of the present emergency should not permit regulations prejudicial to the continuity of the efforts of American manufacturers, merchants and agents in all markets to maintain their normal machinery of sales and distribution, and their competitive position and good will.
>
> In the administration of Lend-Lease aid and other emergency legislation it is important to conserve the interests of American foreign trade during and after the war. In accordance with the terms of the Act, the purchase of the normal commercial requirements of the British Empire, Latin America and of other countries, should be strictly segregated from military imports.
>
> Requisitions submitted to the Lend-Lease authorities should permit of specifying the names of manufacturers or brands of goods based on the preferences of the consumer and established trading contacts. The sales efforts of the American manufacturers, their subsidiary companies, agents and distributors of their own wares in world markets should be protected during the war in order to conserve their post-war position.
>
> Governmental channels should not be used to secure priorities for non-defense purchases which should be bought and distributed through ordinary commercial channels.

The Declaration urged "the Nation Foreign Trade Council to continue the effective cooperation given during the past year in relation to necessary Government controls over foreign trade and shipping." Regarding Government contracts affecting foreign trade, the Declaration further said:

> While it is recognized that wartime restrictions in respect to our overseas trade are necessary, it is important to safeguard the long-time interests of American commerce, industry and finance, and private initiative and enterprise, against any possibility of wartime controls evolving into systems similar to those against which the United States is exerting its national power. At the end of the war all governmental wartime restrictions should be speedily removed.
>
> To aid in maintaining foreign trade consistent with defense requirements, it is recommended that the Economic Defense Board, and the Supply Priorities and Allocations Board including control agencies under their direction, appoint advisory committees for consideration of practical foreign trade requirements in connection with the formulation and operation of various controls and regulations.

* * *

> Similar advisory committees consisting of bankers, exporters, and importers, should be appointed to assist and advise the Treasury Department in reference to the formulation and operation of regulations having to do with foreign funds control, and other procedure under the control and direction of the Treasury Department.
>
> American Government controls affecting foreign trade should be coordinated with the export and import controls of friendly nations, in order that as little interference as possible be placed upon the movement of commodities.

In the matter of priorities, the Declaration said:

> The Convention recommends that, subject to the requirements of national defense, manufacturers should be permitted to plan for continued allocation of such proportion of their production as would serve to maintain their essential foreign trade.
>
> It is urged that the Government accord effective export priorities on goods essential to foreign countries, these priorities to be subordinate only to the defense and Lend-Lease requirements, or on a parity therewith in cases of marked urgency.

Other points in the Declaration bore on shipping, Latin-America trade, International Air Transportation, etc.

Petroleum And Its Products

(Continued from Page 614)

to American and other foreign creditors to an amount of practically one billion dollars, and about the same amount to domestic creditors.

"The companies, during the past three and one-half years, have been guided by the position uniformly taken by our Government, which may be summarized as follows:

" 'The right to expropriate is coupled with and conditioned on the obligation to make adequate, effective and prompt compensation; the legality of an expropriation is in fact dependent on the observance of this requirement.' (United States note to Mexico of April 3, 1940.)

" 'The taking of property without compensation is not expropriation. It is confiscation. It is not less confiscation because there may be an expressed intent to pay at some time in the future.' (United States notes to Mexico of July 20 and Aug. 22, 1938.)

"In its note to the Government of Mexico of Aug. 22, 1938, the United States Government said that it could not acquiesce in the repudiation of these principles. 'To do so,' it stated, 'would make it a party to an undermining of the integrity which characterizes the normal relations between nations and their peoples.' "

Awards for the construction of 49 more tankers by the Maritime Commission were announced in Washington last Friday as the Government pushed forward its program to build the greatest and most modern tanker fleet in the world. The American tanker fleet, when private and United States building is completed, will total approximately 575 vessels, far above its nearest rival. As tanker construction was pushed, Coordinator Ickes revealed in Washington that rail tank car movements of crude oil into the shortage-threatened East had passed the 4,000-mark during the Oct. 4 week, up nearly 25% from the previous week. The American Trucking Association announced plans this week for usage of gasoline trucks for short hauls to replace rail tankers for longer trips.

Daily average crude oil production in the United States for the week ended Oct. 11, sparked by a sharp expansion in Texas output, gained 210.200 barrels, hitting a total of 4,070,950 barrels, according to the mid-week report of the American Petroleum Institute. This compared with the October market demand estimate of the U. S. Bureau of Mines of 4,012,900 barrels. Texas spurted 223,350 barrels under shutdown removals, with California and Louisiana also showing higher totals. Other States were off on production figures. Stocks of American and foreign crude oil held in the United States on Oct. 4 were off 505,000 barrels to 246,144,000 barrels, the Bureau of Mines reported. Inventories of domestic crude were off 983,000 barrels, but this was offset by a gain of 478,000 barrels in stocks of foreign crude petroleum.

Delegates at the National Oil Marketers Association convention in Chicago Tuesday heard F. W. Herlihy of the Power Oil Co. of Orangeburg, S. C., assert that the "so-called shortage is just another jobber squeeze and it will succeed if we do not take action against the men in charge" in asking for the reopening of the Congressional investigation of the shortage situation. Mr. Herlihy further accused the major companies of making another attempt to gain control of the marketing branch of the petroleum industry, using the new Federal oil coordination laws. J. Howard Marshall, chief counsel for the Office of Petroleum Coordinator, told the delegates that economy in the use of oil and petroleum products was in order since "the cold hard facts are that we are producing and consuming oil much faster than we are finding it."

Stoppage of all oil shipments to Japan has been agreed upon by the United States, Great Britain and the refugee Government of the Netherlands, it was indicated in reports from Washington. Japan, Axis-partner, has been at diplomatic loggerheads with the three governments since it became the "junior partner" in the Nazi setup.

There were no crude oil price changes during the week.

Refined Products

The record demand for motor fuel thus far this year, plus the artificial shortage on the East Coast which has prevented the normal seasonal spurt in inventories because of lack of transportation facilities to move crude from the Gulf Coast, have created a market structure that has sent gasoline prices moving into higher levels in distinct contradiction to the usual trend at this time of the year.

The average net dealer price before taxes, stood at 10.04 cents a gallon on Oct. 1, up two points

(Continued on Page 639)

Imports and Exports Analysed

The Department of Commerce's report of the character of the country's foreign trade reduces the export and import figures into five separate groups, ranging from crude materials to finished manufactures, in each of which the agricultural and non-agricultural totals are shown separately. In the seven months ended July, 1941, 10% of domestic exports and 54% of imports for consumption were agricultural products; 90% of domestic exports, and 46% of imports for consumption were non-agricultural products. We present the tabulation below.

DOMESTIC EXPORTS FROM AND IMPORTS INTO UNITED STATES—ANALYSIS BY ECONOMIC GROUPS

(Value in 1,000 Dollars)

Economic Class / Commodity	July 1940 Value	June 1941 Value	July 1941 Value	—Seven Months Ending July— 1940 Value	1940 Percent of total	1941 Value	1941 Percent of total
Domestic exports, crude materials	31,739	29,034	29.824	334,690	14.4	155,345	6.5
Agricultural	11,853	9,175	12,598	223,847	9.6	69,368	2.9
Non-agricultural	19,886	19,859	17,226	110,842	4.8	85,977	3.6
Crude foodstuffs	7,715	5,368	7,291	48,606	2.1	35,002	1.5
Agricultural	7,697	5,351	7,257	48,246	2.1	34,813	1.5
Non-agricultural	19	18	34	361	----	189	----
Manufactured foodstuffs and beverages	12,701	27,805	38,472	111,064	4.8	134,077	5.6
Agricultural	10,055	26,831	37,000	99,432	4.3	125,966	5.3
Non-agricultural	2,646	974	1,472	11,632	.5	8,111	.3
Semi-manufactures	75,560	51,020	53,279	513,223	22.0	410,635	17.2
Agricultural	329	509	453	2,677	.1	4,092	.2
Non-agricultural	75.231	50,510	52,826	510,546	21.9	406,543	17.0
Finished manufactures.	184.277	210,461	220,025	1,322,650	56.8	1,657.939	69.3
Agricultural	1,366	1,155	1,412	7,831	.3	8,513	.4
Non-agricultural	182,911	209,307	218,612	1,314,820	56.4	1,649,426	68.9
Total exports of United States merchandise	311,992	323,689	348,890	2,330,232	100.0	2,392.999	100.0
Agricultural	31,330	43,022	58,721	382,033	16.4	242,753	10.1
Non-agricultural	280.692	280,667	290,169	1,948,200	83,6	2,150,246	89.9
Imports for consumption, crude materials	85.317	110,609	119,260	549.377	37.6	746,216	42.0
Agricultural	57.775	78.714	86.073	401,777	27.5	560.499	31.5
Non-agricultural	27,542	31,896	33,188	147,600	10.1	185.718	10.5
Crude foodstuffs	24,924	31,994	22,886	173.999	11.9	222.356	12.5
Agricultural	23.754	30.517	21,605	166.559	11.4	214.143	12.1
Non-agricultural	1,170	1,477	1,280	7,411	.5	8,213	.5
Manufactured foodstuffs and beverages	22.565	28,082	24,320	174.810	12.0	190.042	10.7
Agricultural	18.908	23.489	19.904	139,214	9.5	157 687	8.9
Non-agricultural	3.657	4,594	4.416	35,596	2.4	32.355	1.9
Semi-manufactures	45.401	54,553	62.248	319.328	21.8	388.316	21.9
Agricultural	7.561	4.862	5,840	37.968	2.6	28,117	1.6
Non-agricultural	37.840	49.691	56.408	281.359	19.3	360.199	20.3
Finished manufactures.	39,690	35,864	35,971	243.994	16.7	229.626	12.9
Agricultural	419	668	871	4.212	.3	5.223	.3
Non-agricultural	39.272	35,196	35,100	239,782	16.4	224,403	12.6
Total imports for consumption	217.897	261.102	264.685	1,461.508	100.0	1,776.555	100.0
Agricultural	108,417	138,249	134,294	749,730	51.3	965 668	54.4
Non-agricultural	109,480	122,853	130,391	711,778	48.7	810,887	45.6

Supplementing other data on the Nation's foreign trade in July, given in today's issue, we present here an arrangement of the figures given out by the Department of Commerce showing the value of the chief items of the export and import trade, arranged according to economic groups.

DOMESTIC EXPORTS FROM AND IMPORTS INTO UNITED STATES—ANALYSIS BY LEADING COMMODITIES IN EACH ECONOMIC GROUP

DOMESTIC EXPORTS

Crude Materials—Value in 1,000 Dollars

Commodity	July 1940	June 1941	July 1941	Seven mos. end. July 1940	Seven mos. end. July 1941
Cotton, unmanufactured	7,861	4,729	4,516	179,961	30,797
Tobacco, unmanufactured	3,440	3,603	6,887	30,674	29,167
Coal	10,319	12,439	11,060	49,702	48,490
Crude petroleum	7,517	5,741	3,619	42,419	25,277
All other crude materials	2,602	2,522	3,742	31,934	21,614

Crude Foodstuffs—Value in 1,000 Dollars

Commodity	July 1940	June 1941	July 1941	Seven mos. end. July 1940	Seven mos. end. July 1941
Wheat	1,134	90	25	8,349	3,961
Corn	4,301	218	1,128	17,672	3,351
Vegetables, fresh and dried	827	1,760	2,383	8,642	10,231
Apples, fresh	86	52	85	1,220	613
Oranges	193	654	1,070	4,805	5,751
Other fresh fruit	859	646	803	3,605	3,257
All other crude foodstuffs	315	1,948	1,797	4,313	7,838

Manufactured Foodstuffs—Value in 1,000 Dollars

Commodity	July 1940	June 1941	July 1941	Seven mos. end. July 1940	Seven mos. end. July 1941
Meat products	1,279	9,184	11,305	16,516	26,609
Lard, including neutral lard	1,766	1,793	5,784	9,625	14,207
Dairy products (except fresh milk)	2,041	7,827	9,200	6,353	28,105
Fish, canned, prepared, &c.	2,503	769	1,274	10,184	6,452
Milled rice, incl. brown, broken and screenings	764	1,141	834	5.826	8.791
Wheat flour	1,469	2,483	2,022	12,517	15,226
Vegetables, canned and prepared	357	823	1,502	4,960	5,109
Dried and evaporated fruits	297	620	1,169	4.887	5,817
Canned fruits	83	105	69	8,552	665
Sugar and related products	528	416	599	13,004	4,246
All other mfrd. foodstuffs	1,614	2,644	4,714	18,640	18,850

Semi-Manufactures—Value in 1,000 Dollars

Commodity	July 1940	June 1941	July 1941	Seven mos. end. July 1940	Seven mos. end. July 1941
Leather	583	816	1,384	7,796	9,299
Naval stores, gums and resins *a*	853	722	586	8,330	5,961
Sawed timber	389	246	208	3,258	1,689
Boards, planks, &c.	2,956	1,580	1,531	15,388	12,337
Wood pulp	4,327	909	2,308	16,496	13,591
Gas and fuel oil	2,921	2,399	1,719	23,110	13,576
Iron and steel semi-manufactures	32,501	22,444	23,196	191,266	172,943
Iron and steel scrap *b*	5,459	1,060	1,161	30,551	9,272
Steel ingots, billets, bars, rods, &c.	13,961	10,843	10,332	66,260	86,087
Plates, sheets and skelp	6,794	5,556	5,792	47,154	42,419
Tin plate and taggers' tin	3,402	2,940	2,828	34,348	15,934
Ferromanganese and other ferro-alloys *c*	1,262	646	318	4,293	4,088
Aluminum semi-manufactures	762	183	310	14,212	2,226
Copper (ingots, plates, rods)	8,103	1,571	1,806	60,300	15,667
Brass and bronze semi-manufactures	257	358	217	8,291	12.066
Coal-tar products	2,588	2,196	2,068	17,574	17.454
Industrial chemicals	5,091	4,213	4,162	31,421	34.032
Pigments	1,295	1,067	1,318	9,495	8,987
All other semi-manufactures	11,672	11,670	12,148	101,993	86,719

Finished Manufactures—Value in 1,000 Dollars

Commodity	July 1940	June 1941	July 1941	Seven mos. end. July 1940	Seven mos. end. July 1941
Rubber manufactures	3,408	3,518	3,171	20,362	28,780
Automobile casings	1,732	2,016	1,667	9,014	15,632
Tobacco manufactures	963	1,100	1,126	8,229	8 942
Cotton manufactures	4,625	6,746	7,332	36,152	48,982
Cotton cloth, duck and tire fabric	2,827	4,669	5,212	23,170	32 700
Rayon manufactures	895	1,647	1,608	9,753	14,964
Wood manufactures, advanced	943	619	686	7,038	6,411
Paper and manufactures	7.490	4,309	3,946	38,830	36,184
Motor fuel and gasoline	*d*4.237	4,250	3,188	*d*43.306	27,217
Lubricating oil	6,497	5,517	5,453	66,697	42,613
Glass and glass products	1,184	1,410	1,188	7,634	11,205
Steel-mill manufactures	11,208	13,255	12,502	72,235	89,704
Iron and steel advance manufactures	5,016	6,541	6,168	35,362	50,624
Electrical machinery and apparatus	8.889	8,736	8,619	66,922	73 920
Radio apparatus	1.498	1,740	1.702	12.552	13 778
Industrial machinery	31,243	28,366	27,795	240,394	254,042
Construction and conveying machinery	2,352	2,614	3,291	18,214	21,238
Mining, well and pumping machinery	4,746	2,429	2,962	31,136	24,611
Metal-working machinery	15.514	13,544	11,506	124.626	129.359
Office appliances	1,422	1,480	1,922	13,541	12,330
Agricultural mach. and implements	6,563	6,345	6,553	49,944	47,394
Motor trucks and buses (new)	4.522	9.078	5,162	52.255	68.315
Passenger cars (new)	2,247	3,410	4,570	37,863	35,179
Automobile parts for assembly	3,490	4,903	4,068	26,504	39,390
Automobile parts for replacement	2,977	2,939	3,044	26,352	26,257
Airplanes (landplanes and seaplanes, powered and without engines)	16 564	23.815	33.530	111.825	219 425
Engines for aircraft	3.829	6.520	3.838	21.533	49 656
Merchant vessels	5,622	3,626	3,978	30,555	22,935
Medicinals and pharmaceuticals	2.210	2.655	2.816	16 936	21.464
Explosives, fuses, &c.	4,611	3,976	3,906	13,921	17,599
Scientific and prof. instruments	1,178	3,665	2,277	9,264	15,308
Firearms and ammunition, &c.	13,748	9,276	19,845	39,044	92,258
All other finished manufactures	28,696	42,759	41,734	220,099	296,841
Total	311,992	323,689	348,890	2,330,232	2,392,000

IMPORTS FOR CONSUMPTION

Crude Materials—Value in 1,000 Dollars

Commodity	July 1940	June 1941	July 1941	Seven mos. end. July 1940	Seven mos. end. July 1941
Hides and skins	3 987	7,130	6.859	30.016	41.963
Undressed furs	4.969	7,534	8.933	38.748	48 850
Crude rubber	27.470	26.116	40.227	163.941	230.785
Oilseeds	2,237	2,045	2,429	24,032	15.673
Flaxseed	887	615	839	11,240	6,109
Tobacco, unmanufactured	3,284	3,246	3,105	21,138	21,692
Cotton, unmanufactured	1,094	1,563	1,272	6.899	10,684
Jute and jute butts	63	712	1,013	5.055	5,519
Flax and hemp, unmanufactured	30	154	162	1,763	927
Wool, unmanufactured	4,156	20.564	18,111	48.030	131.655
Silk, raw	10.170	10.233	6.236	60.297	55.734
Other textile fibers *e*	1,856	2,413	2.295	13.064	13.870
Crude petroleum	2,967	3,497	3,863	16,455	21,517
Diamonds, rough, uncut	5,593	600	68	9,124	4,067
Diamonds for industrial use	693	414	1,772	4,351	5,657
Non-ferrous ores and concentrates	3.142	6.433	5.524	14.745	32.203
Ferro-alloying ores	2,354	4,816	3,945	19,059	24.391
All other crude materials	11.252	13.139	13,446	72,660	81,029

Crude Foodstuffs—Value in 1,000 Dollars

Commodity	July 1940	June 1941	July 1941	Seven mos. end. July 1940	Seven mos. end. July 1941
Cattle, except for breeding	933	1,248	1,908	9,787	11,699
Wheat for milling and export	422	431	598	3,639	3,090
Vegetables, fresh and dried	117	289	188	4.965	6 536
Bananas	2.877	2.961	2.540	17.432	17,125
Cocoa or cacao beans	4.444	5.060	3.659	17.702	26 425
Coffee	10.766	13.927	5.724	80.838	109.521
Tea	1,694	2,293	2,965	13,587	14,951
All other crude foodstuffs	3,671	5.735	5,304	26.049	33,009

Manufactured Foodstuffs—Value in 1,000 Dollars

Commodity	July 1940	June 1941	July 1941	Seven mos. end. July 1940	Seven mos. end. July 1941
Meat products	1,421	1,513	1,401	11.826	11.692
Cheese	368	260	398	5,674	2,500
Fish and shellfish (canned, prepared, &c.)	859	1,277	1,548	10.263	7 785
Vegetable oils, edible	692	232	225	5.979	1,464
Cane sugar:					
From the Philippine Islands	3,828	4,316	3,337	26,897	30,495
From foreign countries	7,442	9,960	7,563	49,352	69,085
Whisky and other spirits	2.782	3,302	2,850	25.143	24 518
Wines	505	308	365	5,308	2.327
All other manufactured foodstuffs	4,668	6,914	6,633	34,368	40,226

Semi-Manufactures—Value in 1,000 Dollars

	July 1940	June 1941	July 1941	Seven mos. end. July 1940	Seven mos. end. July 1941
Leather	439	519	559	3,646	3,545
Expressed oils, inedible *f*	6,603	3,648	4,558	35,776	24,893
Wool semi-manufactures	675	749	546	3,557	5,071
Sawed boards, and lumber (except cabinet woods and railroad ties)	1,854	3,395	4,078	10,960	19,460
Wood pulp	4,730	6,009	4,969	38,679	34,660
Gas oil and fuel oil *g*	1,851	1,570	1,717	15,554	14,456
Diamonds, cut but not set	922	955	2,148	15,560	10,259
Copper *h*	3,676	7,429	12,320	34,617	65,523
Nickel and alloys	3,174	3,163	2,658	17,970	21,712
Tin (bars, blocks, pigs)	9,465	12,132	15,678	61,564	95,614
Coal-tar products *f*	1,598	927	674	6,233	5,239
Industrial chemicals *f*	1,033	1,332	1,674	7,520	8,632
Fertilizers and materials *f*	2,234	1,345	638	20,433	13,142
All other semi-manufactures	7,147	11,380	10,031	47,259	66,110

Finished Manufactures—Value in 1,000 Dollars

	July 1940	June 1941	July 1941	Seven mos. end. July 1940	Seven mos. end. July 1941
Leather manufactures	217	231	300	2,390	1,563
Cotton manufactures	1,620	1,548	1,635	17,652	12,582
Cotton cloth	327	255	394	3,903	3,205
Burlaps	6,245	4,660	5,398	28,461	25,869
Flax, hemp and ramie manufactures	1,458	1,245	1,357	10,965	8,849
Wool manufactures	1,678	1,590	1,620	10,915	10,197
Silk manufactures	320	267	501	3,345	2,580
Shingles	589	771	798	4,226	5,196
Newsprint	11,953	11,382	11,257	70,413	72,098
Pottery	640	462	447	3,788	3,240
Machinery	806	1,122	1,134	5,915	7,832
Works of art	3,057	302	300	9,000	3,377
All other finished manufactures	7,275	9,602	8,600	61,091	61,202
Non-commercial imports *i*	3,832	2,682	2,624	15,833	15,041
Total	217,897	261,102	264,685	1,461,508	1,776,555

a Includes a small item which is not a semi-manufacture.

b Includes tin-plate scrap and waste.

c Revised to exclude ferro-alloying ores and concentrates, and principal metals and alloys, other than ferro-alloys, used in the manufacture of iron and steel.

d Revised to include anti-knock compounds.

e Includes sisal, manila, kapok, New Zealand fiber, crin vegetal, &c.

f Includes a few items not semi-manufactures.

g Partly oil used for refueling vessels and for refining and export.

h Chiefly unrefined copper for refining and export.

i Chiefly merchandise returned.

September Pig Iron Production at 98.8%

The Oct. 9 issue of the "Iron Age" reported that production of coke pig iron in September totaled 4,716,901 net tons compared with 4,791,432 tons in August. Output on a daily basis last month showed a gain of 1% over that in August, or from 154,562 tons to 157,230 tons a day in September. The operating rate for the industry was 98.8% of capacity in September, compared with 97.5% in August.

On Oct. 1 there were 216 furnaces in blast producing at the rate of 157,230 a day, compared with 213 in blast on Sept. 1 with a production rate of 155,020 tons. The United States Steel Corp. blew in two furnaces during September, independent producers put one in blast and took one off and merchant producers blew in two furnaces and took off one.

Among the furnaces blown in were: One Ohio, Carnegie-Illinois Steel Corp., one Holt, Tennessee Coal, Iron & Railroad Co., one Sparrows Point, Bethlehem Steel Corp., one Colonial, U. S. Pipe & Foundry Co. and one furnace of the Koppers United Co.

Furnaces blown out included: one Brier Hill, Youngstown Sheet & Tube Co., and one Toledo, Interlake Iron Co.

MERCHANT IRON MADE, DAILY RATE—NET TONS

	1941	1940	1939	1938	1937
January	20,812	16,475	11,875	11,911	18,039
February	21,254	14,773	10,793	9,916	18,496
March	23 069	11,760	10,025	9,547	18,432
April	20,434	13,656	9,529	9,266	16,259
May	21,235	16,521	7,883	7,203	21,821
June	21,933	13,662	8,527	6,020	17 774
July	21 957	16,619	9,404	6,154	21,962
August	22,578	17,395	11,225	7,408	19,971
September	21,803	17,571	12,648	12,550	22,473
October	------	18,694	16,409	12,095	21,224
November	------	22,792	16,642	14,793	17,541
December	------	19,779	16,912	10,266	12,289

PRODUCTION OF COKE PIG IRON AND FERROMANGANESE—NET TONS

	—Pig Iron x—		—Ferromanganese y—	
	1941	1940	1941	1940
January	4,063,695	4,032,022	35,337	43,240
February	4,197 872	3,311,480	33,627	38,720
March	4,704,135	3,270,499	55,460	46,260
April	4,334,267	3,137,019	56,871	43,384
May	4,599,966	3,513,683	58,578	44,973
June	4 553,165	3,818,897	53,854	44,631
Half-year	27,053,100	21,083,600	293,727	261,203
July	4,770,778	4,053,945	57,710	43,341
August	4,791,432	4,238,041	52,735	37,003
September	4,716 901	4,176,527	46,932	33,024
October	------	4,445,961	------	32,270
November	------	4,403,230	------	31,155
December	------	4,547,602	------	35,666
Year	------	46,948,906	------	473,667

x These totals do not include charcoal pig iron. y Included in pig iron figures.

DAILY AVERAGE PRODUCTION OF COKE PIG IRON

	—1941—		—1940—		1939
	Net Tons	% Capacity	Net Tons	% Capacity	Net Tons
January	150,441	95.5	130,061	85.8	78,596
February	149,924	95.2	114,189	75.1	82,407
March	151 745	96.9	105,500	68.9	86,516
April	144,475	91.8	104,567	68.6	76,764
May	148,386	93.8	113,345	74.8	62,052
June	151,772	95.9	127,297	83.9	79,089
Half-year	149,465	94.5	115,844	76.1	77,486
July	153,896	97.1	130,772	86.3	85,130
August	154,562	97.5	137,711	90.4	96,096
September	157,230	99.2	139 218	92.2	107.466
October	------	----	143,419	94.8	131,061
November	------	----	146,774	97.1	138,877
December	------	----	146,697	97.2	136,146
Year	------	----	128,276	84.6	96,769

Trading On New York Exchanges

The Securities and Exchange Commission made public on Oct. 10 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Sept. 27, 1941, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Sept. 27 (in round-lot transactions) totaled 661,945 shares, which amount was 18.78% of total transactions on the Exchange of 3,485,950 shares. This compares with member trading during the previous week ended Sept. 20 of 679,770 shares or 17.69% of total trading of 3,756,160 shares. On the New York Curb Exchange, member trading during the week ended Sept. 27 amounted to 139,885 shares, or 18.47% of the total volume on that Exchange of 730,500 shares; during the preceding week trading for the account of Curb members of 147,515 shares was 16.90% of total trading of 771,460 shares.

The Commission made available the following data for the week ended Sept. 27:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total Number of Reports Received	1,054	776
1. Reports showing transactions as specialists	190	94
2. Reports showing other transactions initiated on the floor	208	37
3. Reports showing other transactions initiated off the floor	202	89
4. Reports showing no transactions	570	567

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)
Week Ended Sept. 27, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	93,970	
Other sales b	3,391,980	
Total sales	3,485,950	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	334,620	
Short sales	42,750	
Other sales b	270,430	9.29
Total sales	313,000	
2. Other transactions initiated on the floor		
Total purchases	212,940	
Short sales	17,500	
Other sales b	215,010	6.39
Total sales	232,510	
3. Other transactions initiated off the floor		
Total purchases	99,930	
Short sales	7,680	
Other sales b	108,755	3.10
Total sales	116,435	
4. Total		
Total purchases	647,490	
Short sales	67,750	
Other sales b	594,195	18.78
Total sales	661,945	

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)
Week Ended Sept. 27, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	12,400	
Other sales b	718,100	
Total sales	730,500	
B. Round-Lot Transactions for the Account of Members		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	79,735	
Short sales	7,830	
Other sales b	85,685	11.85
Total sales	93,515	
2. Other transactions initiated on the floor		
Total purchases	19,525	
Short sales	900	
Other sales b	17,675	2.61
Total sales	18,575	
3. Other transactions initiated off the floor		
Total purchases	30,690	
Short sales	1,550	
Other sales b	26,245	4.00
Total sales	27,795	
4. Total		
Total purchases	129,950	
Short sales	10,280	
Other sales b	129,605	18.47
Total sales	139,885	
C. Odd-Lot Transactions for the Account of Specialists		
Customers' short sales	3	
Customers' other sales c	44,890	
Total purchases	44,893	
Total sales	25,252	

* The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

Foreign Front

(Continued from Page 616)

Volga or the Urals would be of much importance.

One curious incident of the aid to Russia program is the German disclosure, last week, of a somewhat garbled but substantially correct version of a personal note from President Roosevelt to Premier Stalin, conveyed by Mr. Harriman. The assumption at first was that the Russians broadcast the note and that the German receivers picked it up, but this was denied by Moscow. No reasonable explanation is available, therefore, to account for German knowledge of a personal note known only to a few persons. The implications of the incident are far from comforting.

Britain and Germany

Occasional intensification of British aerial attacks upon the German Reich, and modest sinkings of British and allied ships by the Germans, comprises the effective military action of the week in the war being waged directly by the United Kingdom and the Nazis. That the British air force is bombing German ports and cities to ever greater effectiveness is hardly to be doubted, but it also would seem that the German war effort is not seriously impeded. Crack German aerial squadrons are understood to be patrolling the air over the Channel, with resultant sizable losses to both sides as the dog-fights develop. Some German bombs were dropped this week on a few British towns, but the effort fails to compare with the German attacks of last autumn.

On the high seas the German submarine, raider and aerial activity shows signs of increasing. Not much is admitted by the British Command in this respect, but Portuguese dispatches make it clear that convoys are not escaping scot free. At the end of September, Prime Minister Churchill permitted himself some encouraging remarks about the sea warfare, however, and it is not clear that the situation since has changed drastically.

The Russian crisis has occasioned ever more strenuous demands in the British press for effective aid to Moscow, in the form of a British invasion of the Nazi-held continent of Europe. In apparent answer to such demands the British Government made it known last Saturday that special shock troops are being trained for landings on a hostile shore. But it also was intimated that arrangements are not completed for real invasion efforts. Rumors circulated this week of a landing by some British troops at Archangel. This force, however, seems to be more for the purpose of supplying than of aiding Russia militarily. In response to Laborite demands for a debate on full military assistance to Russia, Mr. Churchill declared on Tuesday that he did not care to discuss the battle of Moscow. The questioning Laborite was informed by the Prime Minister that he should not suppose that he has a monopoly of anxiety in these matters.

Near East

Fresh developments in the near East plainly are to be expected as winter weather appears and makes military operations feasible in Northern Africa and Southwestern Asia. The portents of such activities already are appearing. A test of strength impends in the Western Desert region bordering Italian Libya and Egypt, with military experts of the opinion that intensified fighting will begin early in November. British airplanes hammered away at the Italian shipping crossing the Mediterranean, in recent days. Numerous Axis ships

(Continued on Page 635)

Foreign Front

(Continued from Page 635)

were sunk, it is indicated, but the claims also constituted an admission that Axis forces in the Western Desert are being augmented steadily.

Turkey remains on the fence and unquestionably is finding that position increasingly difficult. A trade pact between Germany and Turkey was initialed at Ankara, last Thursday. Under the terms of this agreement, Germany is to supply Turkey with arms, and a return flow of chromium ore is to take place beginning in 1943. This treaty plainly is a temporary expedient, which will be subject to the course of the war.

The eastward reaches of the British lifeline to the Orient have been quiet of late, in a diplomatic sense. Iraq is dominated entirely by sizable British contingents, and Iran is swayed by the Anglo-Russian forces which ousted the Nazi-inclined Shah. Afghanistan now is reported once again to be under British pressure for rounding up all Germans in that border State. Through Iran most of the British and American supplies to Russia are likely to move, and it also may be that Afghanistan will be serviceable in this connection. The course of the conflict in Russia will be indicative for all of the Middle East.

Japanese Program

After a few weeks of uncertainty the policy of the Japanese Government now appears to be pointed more definitely than ever before toward a fresh adventure in that part of Eastern Asia held by the Russian forces. That a Japanese move against the Maritime Provinces of Siberia would develop in the event of real German successes in the European war against Russia long has been considered obvious by expert observers. There is no longer much doubt about the intentions of Tokio, for all dispatches from the Far East reflect Japanese preparations for such a push.

What the policy of the United States Government may be, in this eventuality, is a question of the utmost gravity. Under the Axis agreements, any move by the United States in aid of Russia might well involve this country in a two-ocean war. The German Government probably would consider highly advantageous to its own interests a war between Japan and the United States, and might easily join in such a conflict. Considerations of this nature, indeed, may be indicative in the Far Eastern crisis which now impends.

Various indications pointed, this week, to the vast preparations being made for the ultimate test of strength in the Far East. Japanese troops plainly were being moved northward toward the border of Manchukuo and Siberia. Some fairly important cities held in recent months by the Japanese were retaken by the Chinese, as these transfers developed. Shanghai dispatches suggest a concentration of Nipponese troops which may be sufficient to overwhelm the Russians, if recent statements that sizable transfers of Bolshevik forces to Europe have taken place are accurate. The surmise seems justified that the fall of Moscow, if it occurs, will be the signal for a Japanese assault upon Russian Siberia.

Pending any steps of this nature the Japanese apparently are determined to continue their diplomacy without outward change. Diplomatic circles were under the impression, early this week, that discussions between Washington and Tokio have been resumed, with a view to adjustment of differences. Such impressions were enhanced when it appeared that Japan intends to send three passenger liners to the United States for repatriation of the nationals of both countries. This suggests, at least, that the Japanese will not be precipitate in their further moves in Eastern Asia. There are, on the other hand, ominous aspects in such arrangements, which can hardly be described as pacific, even though they reflect the economic sanctions imposed upon Japan by the United States, Great Britain and the Netherlands East Indies.

The precise effectiveness of the sanctions against Japan seems to be somewhat uncertain. Washington dispatches last week said that an "all-out" embargo agreement had been arranged, and this naturally would signify a halt in vital oil shipments to Japan. Under earlier interpretations, however, the Netherlands East Indies continued to ship oil to Japan, and possibly is continuing to do so despite the Washington rumors. Since Japan possesses no oil resources worthy of mention, continued imports obviously are of vital importance, and Japan doubtless is prepared to fight for maintenance of supplies.

The entire Far Eastern problem is a touch-and-go affair which may well offer more immediate threats to the peace and safety of the United States than the European situation. Assurances already are available from the British Government of support for the United States, in the event of a clash between Japan and this country. London unquestionably views this as one possible way of bringing the United States into the world conflict. Like the other Axis countries, Japan probably

(Continued on Page 639)

Bonds Remain Stationary

Prices of bonds have not gone far in either direction, on the average. Long-term Treasury bonds have been virtually without change all week. When-issued quotations on the new taxable 2½s, 1967-72, have been around a three-point premium. A market decline in Treasury notes on Tuesday, as much as 11/32 in one instance, has had various explanations, among which are rumors of the possibility that the Treasury Department might discontinue its policy of allowing holders of maturing bonds or notes to exchange them for new issues at par.

High-grade railroad bonds have displayed a lethargic tendency during the past week and price changes were confined to fractional losses. Cincinnati Union Terminal 3⅜s, 1969, at 112¾ lost ¼. Medium-grade rail bonds have lost ground while speculative issues have continued weak. Among the former, Western Maryland 4s, 1952, declined ⅝ to 90⅜ while the issues of problem roads, such as Southern Pacific, New York Central, Illinois Central lost whole points. Defaulted rails have drifted to lower levels, reflecting outside influence rather than internal developments.

Investment interest in utility bonds has largely centered in offerings of $8,927,000 Mississippi Power 3⅛s, 1971, and $5,600,000 Gulf Power 3⅛s, 1971. High grades as a class have been firm. Substandard and speculative issues including Associated Gas & Electric 4½s, 1949, International Telephone & Telegraph 5s, 1955, New England Power Association 5½s, 1954, and North Continent Utilities 5½s, 1948, have declined.

No changes of importance have occurred in the industrial section of the list this week. Steels and oils have showed mixed fractional changes. Among coal company issues, the Consolidation 5s, 1960, have gained fractionally, but the Hudson 5s, 1962, lost 2⅛ points at 37¾. In the building materials section, the Celotex 4½s, 1947, and the Certain-teed 5½s, 1948, lost 1 and 1⅜ points, respectively, but the Crane Company 2¼s, 1950, a much higher-grade issue than the two aforementioned, were steady at 101¼. The Paramount Pictures 3¼s, 1947, were weak toward the close and showed a net loss of ¾ at 98½.

Foreign bonds have been subject to some pressure but price declines have remained within moderate limits with the exception of Japanese issues which have suffered losses up to seven points. Canadian loans have been depressed in reflection of war news but Australian bonds have held up well with gains in some of the state and city issues. Nowegian loans have continued firm and Cuba 4½s and Haiti 7s were other strong spots.

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†

(Based on Average Yields)

1941 Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings * Aaa	Aa	A	Baa	Corporate by Groups * R. R.	P. U.	Indus.
Oct. 14	119.18	107.98	118.40	115.43	109.24	91.91	97.16	112.19	116.02
13				STOCK EXCHANGE CLOSED					
11	119.16	107.98	118.40	115.43	109.24	91.91	97.16	112.19	116.02
10	119.16	107.98	118.20	115.24	109.06	91.91	97.16	112.00	116.02
9	119.16	107.98	118.40	115.43	109.24	91.91	97.16	112.19	116.22
8	119.13	108.16	118.40	115.43	109.24	92.20	97.31	112.19	116.22
7	119.15	108.16	118.40	115.43	109.24	92.20	97.31	112.19	116.22
6	119.13	107.98	118.40	115.24	109.06	92.20	97.31	112.00	116.02
4	119.17	107.98	118.40	115.43	109.24	91.91	97.16	112.19	116.02
3	119.21	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
2	119.17	107.80	118.20	115.43	109.06	91.62	97.00	112.00	115.82
1	119.11	107.80	118.20	115.24	108.88	91.62	96.85	112.00	115.82
Sept 24	118.95	107.44	118.00	114.85	108.70	91.19	96.69	111.81	115.43
17	118.82	107.62	118.20	114.66	108.70	91.48	96.69	111.62	115.43
12	119.02	107.62	118.00	114.66	108.70	91.62	97.00	111.81	115.24
5	119.13	107.80	118.20	114.85	108.88	95.06	97.31	112.00	115.24
Aug. 29	119.14	107.80	118.40	114.85	108.88	91.77	97.16	111.81	115.43
22	118.78	107.62	118.00	114.66	108.70	91.77	97.16	112.00	115.04
15	118.90	107.80	118.00	115.04	108.70	91.91	97.31	112.00	115.04
8	119.20	107.98	118.20	115.24	108.70	92.20	97.47	112.00	115.24
1	119.56	107.80	118.20	115.24	108.52	92.06	97.47	112.00	115.24
July 25	119.55	107.80	118.00	115.24	108.52	92.06	97.47	112.00	115.04
18	119.47	107.62	118.20	115.04	108.34	91.91	97.46	112.00	115.04
11	119.46	107.62	118.20	115.04	108.16	91.91	97.16	111.81	115.04
3	119.55	107.44	118.00	114.66	107.98	91.77	97.00	111.62	114.85
June 27	119.45	107.44	118.00	114.66	107.80	91.77	97.16	114.44	114.66
20	119.02	107.09	117.80	114.46	107.62	91.48	97.00	111.44	114.27
13	118.97	106.92	117.60	114.08	107.44	91.48	97.00	111.25	113.89
6	118.81	106.74	117.20	113.70	107.27	91.19	96.69	110.88	113.31
May 29	118.71	106.39	116.61	113.31	107.09	91.05	96.69	110.70	112.75
23	118.35	106.39	116.80	113.50	106.92	91.19	96.69	110.70	112.93
16	118.52	106.39	116.61	113.31	106.92	91.34	96.85	110.52	112.75
9	118.45	106.56	116.80	113.12	106.92	91.62	97.00	110.52	112.93
2	118.66	106.39	117.00	112.93	106.74	91.34	96.85	110.52	112.75
Apr. 25	118.62	106.21	116.61	112.75	106.56	91.19	96.69	110.34	112.19
18	118.28	105.86	116.41	112.56	106.39	90.91	96.54	110.15	112.00
10	117.36	105.69	116.41	112.19	106.21	90.77	96.54	109.79	111.81
4	117.55	106.04	116.80	112.37	106.21	91.48	97.00	109.97	112.19
Mar. 28	117.80	105.86	116.41	112.19	106.04	91.05	96.54	109.79	111.81
21	117.85	106.21	117.00	112.93	106.56	90.77	96.54	110.15	112.75
14	117.77	106.21	117.40	113.31	106.56	90.48	96.54	109.97	113.31
7	116.90	106.04	117.40	113.31	106.39	90.20	96.23	109.97	113.12
Feb. 28	116.93	105.86	117.20	112.93	106.21	89.78	95.92	109.79	112.75
21	116.06	105.52	117.00	112.75	106.04	89.52	95.62	109.60	112.75
14	116.24	105.86	117.60	113.12	106.21	89.64	95.92	109.60	113.12
7	116.52	106.21	117.80	113.31	106.39	90.20	95.54	109.79	113.31
Jan. 31	117.14	106.39	118.00	113.70	106.39	90.48	96.85	109.79	113.70
24	117.64	106.56	117.60	113.89	106.56	90.77	97.16	109.97	113.50
17	118.06	106.56	118.20	113.89	106.56	90.48	96.69	110.15	113.89
10	118.03	106.56	118.20	114.27	106.56	90.34	96.69	110.15	114.08
3	118.65	106.39	118.40	114.46	106.39	89.78	95.92	110.15	114.46
High 1941	119.62	108.16	118.60	115.43	109.24	92.35	97.62	112.19	116.22
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
High 1940	119.63	106.74	119.00	115.04	106.74	89.92	96.07	110.88	114.85
Low 1940	113.02	99.04	112.19	109.60	99.52	79.37	86.38	105.52	106.56
1 Yr. Ago									
Oct. 14, 1940	116.69	104.66	117.20	112.75	104.48	87.86	93.67	109.79	111.81
2 Yrs. Ago									
Oct. 14, 1939	110.95	109.79	106.39	96.54	83.28	98.25	88.27	102.63	105.00

MOODY'S BOND YIELD AVERAGES†

(Based on Individual Closing Prices)

1941 Daily Average	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
Oct. 14	3.28	2.73	2.88	3.21	4.28	3.93	3.05	2.85
13			STOCK EXCHANGE CLOSED					
11	3.28	2.73	2.88	3.21	4.28	3.93	3.05	2.85
10	3.28	2.74	2.89	3.22	4.28	3.93	3.06	2.85
9	3.28	2.73	2.88	3.21	4.28	3.93	3.05	2.84
8	3.27	2.73	2.88	3.21	4.26	3.92	3.05	2.84
7	3.27	2.73	2.88	3.21	4.26	3.92	3.05	2.84
6	3.28	2.73	2.89	3.22	4.26	3.92	3.06	2.85
4	3.28	2.73	2.88	3.21	4.28	3.93	3.05	2.85
3	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.85
2	3.29	2.74	2.88	3.22	4.30	3.94	3.06	2.86
1	3.29	2.74	2.89	3.23	4.30	3.95	3.06	2.86
Sept 24	3.31	2.75	2.91	3.24	4.33	3.96	3.07	2.88
17	3.30	2.74	2.92	3.24	4.31	3.96	3.08	2.88
12	3.30	2.75	2.92	3.24	4.30	3.94	3.07	2.89
5	3.29	2.74	2.91	3.23	4.27	3.92	3.06	2.89
Aug. 29	3.29	2.73	2.91	3.23	4.29	3.93	3.06	2.88
22	3.30	2.75	2.92	3.24	4.29	3.93	3.06	2.90
15	3.29	2.75	2.90	3.24	4.28	3.92	3.06	2.90
8	3.28	2.74	2.89	3.24	4.26	3.91	3.06	2.89
1	3.29	2.74	2.89	3.25	4.27	3.91	3.06	2.89
July 25	3.29	2.75	2.89	3.25	4.27	3.91	3.06	2.90
18	3.30	2.74	2.90	3.26	4.28	3.93	3.06	2.90
11	3.30	2.74	2.90	3.27	4.28	3.93	3.07	2.90
3	3.31	2.75	2.92	3.28	4.29	3.94	3.08	2.91
June 27	3.31	2.75	2.92	3.29	4.29	3.93	3.09	2.92
20	3.33	2.76	2.93	3.30	4.31	3.94	3.09	2.94
13	3.34	2.77	2.95	3.31	4.31	3.94	3.10	2.96
6	3.35	2.79	2.97	3.32	4.33	3.96	3.12	2.99
May 29	3.37	2.82	2.99	3.33	4.34	3.96	3.13	3.02
23	3.37	2.81	2.98	3.34	4.33	3.96	3.13	3.01
16	3.37	2.82	2.99	3.34	4.32	3.95	3.14	3.02
9	3.36	2.81	3.00	3.34	4.30	3.94	3.14	3.01
2	3.37	2.80	3.01	3.35	4.32	3.95	3.14	3.02
Apr. 25	3.38	2.82	3.02	3.36	4.33	3.96	3.15	3.05
18	3.40	2.83	3.03	3.37	4.35	3.97	3.16	3.06
10	3.41	2.83	3.05	3.38	4.36	3.97	3.18	3.07
4	3.39	2.81	3.04	3.38	4.31	3.94	3.17	3.05
Mar. 28	3.40	2.83	3.05	3.39	4.34	3.97	3.18	3.07
21	3.38	2.80	3.01	3.36	4.36	3.97	3.46	3.02
14	3.38	2.78	2.99	3.36	4.38	3.97	3.17	2.99
7	3.39	2.78	2.99	3.37	4.40	3.99	3.17	3.00
Feb. 28	3.40	2.79	3.01	3.38	4.43	4.01	3.18	3.02
21	3.42	2.80	3.02	3.39	4.45	4.03	3.19	3.02
14	3.40	2.77	3.00	3.38	4.44	4.01	3.19	3.00
7	3.38	2.76	2.99	3.37	4.40	3.97	3.18	2.99
Jan. 31	3.37	2.75	2.97	3.37	4.37	3.95	3.18	2.97
24	3.36	2.77	2.96	3.36	4.36	3.93	3.17	2.98
17	3.36	2.74	2.96	3.36	4.38	3.96	3.16	2.96
10	3.36	2.74	2.94	3.36	4.39	3.96	3.16	2.95
3	3.37	2.73	2.93	3.37	4.43	4.01	3.16	2.93
High 1941	3.42	2.84	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.27	2.72	2.88	3.21	4.25	3.90	3.05	2.84
High 1940	3.81	3.06	3.19	3.78	5.24	4.68	3.42	3.36
Low 1940	3.35	2.70	2.90	3.35	4.42	4.00	3.12	2.91
1 Year Ago—								
Oct. 14, 1940	3.47	2.79	3.02	3.48	4.57	4.16	3.18	3.07
2 Years Ago—								
Oct. 14, 1939	3.18	3.37	3.97	4.92	3.86	4.54	3.59	3.45

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

World Prices Steady

General Motors Corp. and Cornell University, which prior to the European war had collaborated in the publication of a world commodity price index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index of world prices, these organizations now are publishing the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country in so far as possible. Each commodity is weighted uniformly for each country, according to its relative importance in *world* production. The actual price data are collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country, usually a government department." The commodities involved include "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous materials (rubber, hides, lumber, newsprint, linseed oil, &c.)." Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, which are based on prices expressed in the currency of each country, were reported Oct. 13 as follows:

(August, 1939=100)

	Argentina	Australia	Canada	England	Java	Mexico	New Zeal'd	Sweden	Switzerland	United States
1940—										
May	120	118	120	143	116	113	112	131	132	112
June	118	118	120	144	116	113	114	131	136	109
July	118	118	120	145	115	112	114	132	140	109
August	118	119	120	150	115	111	120	132	144	109
September	116	120	121	145	116	110	122	135	153	111
October	113	123	122	145	117	110	120	139	158	114
November	113	125	124	146	118	111	118	142	164	118
December	113	126	126	149	120	111	119	144	168	118
1941—										
January	114	127	126	150	r120	111	119	144	r172	120
February	114	126	127	150	121	113	119	147	171	120
March	119	122	129	150	123	114	119	154	176	122
April	121	121	131	150	125	115	119	156	180	125
May	126	120	134	r152	129	117	120	156	189	129
June	133	121	137	155	131	119	121	155	193	132
July	r135	r121	r141	r156	r136	r125	r122	r155	194	r136
August	138	121	r142	*157	138	127	123	156	---	138
September	139	122	145	*156	138	136	133	156	202	143
1941—										
Weeks end.:										
Sept. 6	138	122	144	155	138	128	123	156	201	141
Sept. 13	138	122	146	*156	137	130	123	156	201	144
Sept. 20	139	122	r145	*156	137	131	123	156	202	144
Sept. 27	r142	122	145	*156	138	132	123	156	203	143
Oct. 4	140	122	145	*157	138	131	125	156	*203	143

* Preliminary. r Revised

Reserve Banks Report on Business

The trend of business in the various Federal Reserve districts is indicated in the following extracts taken from the "Monthly Review" of the Federal Reserve districts of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas and San Francisco. The effect of defense operations on business is brought out in the various reports:

First (Boston) District

The Federal Reserve Bank of Boston reports in its "Monthly Review" of Oct. 1 that "the volume of general business activity in New England during August continued at about the same high level as that which prevailed in July, after allowances had been made for customary seasonal changes, and was substantially higher than during August a year ago." The "Review" goes on to say:

> In this District during the five-week period ending Sept. 13 revenue freight carloadings amounted to 134,239, as compared with a total of 110,610 during the corresponding five weeks a year ago, a gain of 21.4%.
>
> During August the sales volume of 117 department stores and apparel shops in New England was 31.8% higher than in August, 1940, and the cumulative total for the first eight months of the current year was 17.4% larger than during the corresponding period a year ago.
>
> The amount of raw cotton consumed by mills in New England during August was 100,441 bales, as compared with 110,080 bales in July, a decrease of 8.8%, but 37.8% higher than the amount used in August, 1940.
>
> The number of wage-earners employed in 2,050 representative manufacturing establishments in Massachusetts during August was practically the same as the number employed in these same establishments in July and there was a decrease of 0.3% in the amount of aggregate weekly payrolls, according to the Massachusetts Department of Labor and Industries.

Second (New York) District

The Federal Reserve Bank of New York, in its "Monthly Review" of Oct. 1 reports that "preliminary data for September indicate a continuation of the high rate of business activity." The bank's summary also notes that "during August the index of production and trade computed at this bank rose two points further to 113% of estimated long-term trend—within striking distance of the highest level reached in 1929. In the two-year period from August, 1939 (the month just preceding the outbreak of the war) to August of this year the index advanced 27 points." Regarding the August change the bank further says:

> The rise in the general index in August reflected primarily a sharp (and probably largely temporary) spurt in retail trade from the already high level of July. The group index measuring distribution to consumer advanced nine points over July. Department store sales increased considerably more than usual in August and were about a third larger than in the corresponding month of last year. Combined sales of the two major mail order houses ran nearly 50% ahead of August, 1940, and sales of variety and grocery chain systems were about 25% greater. Although retail sales of new passenger cars were somewhat higher than in the previous August, there was a sharp decline from July, owing to changeover to new models.
>
> Reflecting the continued impetus of the defense program, output of producers' durable goods advanced into new high ground in August; the aircraft, machinery, and other "defense" industries showed further gains, and the steel mills continued to operate at near capacity. On the other hand, output of producers' nondurable goods and of consumers' durable goods declined between July and August, seasonal factors considered. Production of cotton and wool textiles was somewhat lower than in the preceding month and deliveries of silk to domestic mills fell off to only about one-tenth of the July rate following the freezing of silk stocks by the Office of Production Management early in the month. Passenger car output was sharply reduced in connection with the changeover to production of new models, and operations in the furniture industry increased less than usual over the relatively high July level.

(Adjusted for seasonal variations and estimated long term trend; series reported in dollars are also adjusted for price changes)

	1940	1941		
	August	June	July	August
Index of Production and Trade	93	110	111†	113†
Production of:				
Producers' durable goods	93‡	123	126†	131†
Producers' nondurable goods	97‡	121	121†	117†
Consumers' durable goods	73	104	103†	96†
Consumers' nondurable goods	94	105	105†	104†
Primary distribution	90	104	105†	105†
Distribution to consumer	98‡	104	107†	116†
Industrial Production				
Steel	112	126‡	126‡	125
Automobiles	56	131	150	104
Bituminous coal	96‡	125	130	117†
Crude petroleum	86	87	86	90†
Electric power	100	113	112	115†
Cotton consumption	111‡	149‡	155‡	152
Wool consumption‡	109	196	179	164†
Shoes	101‡	133	133†	119†
Meat packing	97	105	106	110
Tobacco products	89	99	96	97
Manufacturing Employment				
Employment	97‡	116	120	119†
Man-hours of employment	93‡	119	122	121†
Construction				
Residential building contracts	60	67	73	82
Nonresidential building and engineering contracts	75	88	93	137
Primary Distribution				
Ry. freight car loadings, merchandise and misc.	85	103	103	103
Ry. freight car loadings, other	94	117	116	114
Exports	113	103	114†	
Imports	80	94	91†	
Distribution to Consumer				
Department store sales (U. S.)	96	99	108	125
Grocery chain store sales	99	99	99	103†
Variety chain store sales	106	108‡	108	126
Mail order house sales	103	108	111	131
New passenger car sales‡	80	118	104‡	90†
*Velocity of Deposits**				
Velocity of demand deposits, outside New York City (1919-25 average=100)	53	60	57	61
Velocity of demand deposits, New York City (1919-25 average=100)	23	27	26	27
*Cost of Living and Wages**				
Cost of living (1935-39 average=100)	104	108	109	110†
Wage rates (1926 average=100)	114	122	123	

†Preliminary. ‡Revised; in the case of wool and new passenger car sales, the series have been revised. *Not adjusted for trend.

Third (Philadelphia) District

The Federal Reserve Bank of Philadelphia, in its "Business Review" of Oct. 1 reports that "trade and industrial activity in the Third Federal Reserve District has risen further from the high levels prevailing in earlier months. Operating rates are increasing to new records in many lines. The movement of goods to producers and consumers is the heaviest in several years. The demand for credit continues to expand." From the bank's "Review" we also quote:

> Industrial operations are still expanding, but the rate of increase has slackened as many lines are at or near capacity. Heavy production schedules have necessitated frequent shutdowns for repairs, and supplies of labor and materials are increasingly scarce in the light of current needs. Stocks of finished goods have been reduced substantially, and supplies of raw materials, while still larger than a year ago, are being drawn upon heavily.
>
> Manufacturing activity has increased in most major lines although in many cases the gains were smaller than seasonal, owing to earlier high rates of operation. The output of mines has expanded, in spite of active operations in the Summer. Production of crude oil and electric power has increased.

Fourth (Cleveland) District

The Sept. 30 "Monthly Business Review" of the Federal Reserve Bank of Cleveland had the following to report:

> Peak operations were maintained in the majority of Fourth District industries throughout the Summer. Manufacturing employment was expanded steadily to successive new record levels. Payrolls were increased even more rapidly than working forces, both as a result of additional advances in wage rates and payment for overtime, which in some defense lines has become very common. August payrolls at 6,500 Ohio concerns were 53% larger than a year ago.
>
> This augmented individual purchasing power, in the form of the highest weekly earnings in history, stimulated consumer buying of all types of goods. Besides being shown in contra-seasonally large department store sales and record new automobile registrations for the end of a passenger car model year, this interest was reflected in home building and the purchase of houses offered for sale. Construction activity generally was at the highest level in more than a decade.

Fifth (Richmond) District

The Sept. 30 "Monthly Review" of the Federal Reserve Bank of Richmond states that "although the expansion in business caused by the preparedness program had gotten well under way in August last year, all indicators show a continuation during August, 1941, of greatly increased activity over the corresponding month of last year." The "Review" likewise says in part:

> Industrial activity in August showed no recession, but on the contrary probably expanded further in such lines as shipbuilding and aircraft construction. Cotton textile mills rayon yarn mills, and coal mines continued to work at capacity, and construction work provided for in permits issued and contracts awarded was above the high level of August last year. Tobacco manufacturing was in substantially larger volume in August, 1941, than in August, 1940.

Sixth (Atlanta) District

The Sept. 30 "Monthly Review" of the Federal Reserve Bank of Atlanta has the following to say as to conditions in the Sixth Federal Reserve District:

> Again in August department store sales in the Sixth District recorded a new high level for that month and, allowing for seasonal influences, were by a considerable margin larger than for any previous month. Wholesale trade increased further, and business failures declined. According to figures of the F. W. Dodge Corporation there was a rather spectacular rise in the volume of construction contracts awarded in August, and the District total for the month was about three and one-third times the July total and 15% larger than the record total for August last year. Coal production and pig iron output increased in August, and steel mill activity continued at a high rate, but there was a small decline in the consumption of cotton by mills in the District following near-capacity in other recent months.

Seventh (Chicago) District

The Federal Reserve Bank of Chicago, in its "Business Conditions" report of Oct. 10 states that "production in those lines, which had not been operating at capacity, moved up sharply during the month of August. Pressure on the steel industry for higher production continued, although the mills in this territory operated above rated capacity throughout the north." The Bank further reports:

> The automobile industry, which shifted over to 1942 models during August, maintained production at approximately 40,000 units a week, but increased this output to 79,000 units the week of Sept. 27.
>
> Notwithstanding the fact that the bituminous coal mines in Illinois were closed during the month of April, production for the first eight months of the year reached 49,000,000 tons which was 9% higher than in the same period a year ago.
>
> The Illinois oil field is rapidly becoming one of the major producing centers of the country, and during the month of September, it led all states in increases in production. Runs to stills and gasoline production showed sizable gains during August.
>
> Furniture manufacturing, which ranks as one of the important industries in the Seventh Federal Reserve District, made a slight inroad on backlogs of unfilled orders during the month, with production and shipments both increased as a result of heavy orders placed following the Summer furniture shows.
>
> August payrolls were maintained at approximately July levels, notwithstanding the fact that they were down 11% in the automobile industry. There were sufficient gains in other lines to offset practically all of the decline in the automobile field. Employment was also practically unchanged, although some difficulties have been experienced in shifting labor from civilian to defense production. There have also been some dislocations caused by the inability of small firms to secure a supply of critical materials.

Eighth (St. Louis) District

In its Sept. 30 "Business Conditions" the Federal Reserve Bank of St. Louis states that "activities in Eighth District industry and trade remained at very high levels during August and the first half of September, with some lines moving to new highs." The Bank's summary further said:

> Characteristic of activities in the defense program sharp increases were evidenced in machinery, aircraft, and railroad equipment industries, with chemicals, leather goods, and explosives also showing large gains. Production continued to be considerably behind orders.
>
> Output of bituminous coal at mines in this area in August increased 10% over July and 18% over August, 1940. Steel ingot production at mills in the district remained at the near capacity rate of 98%. Both wholesale and retail distribution of merchandise during August increased over July and was considerably greater in volume than a year ago.

Ninth (Minneapolis) District

The Federal Reserve Bank of Minneapolis reports that Northwest business volume in August exceeded the high July levels. The bank in its "Monthly Review" of Sept. 28 further states:

> August business volume in the District showed further expansion during the month as was indicated by our seasonally adjusted indexes. The index of city department store sales advanced 14 points to 145, the highest point for any month in our 13-year records. The country department store sales index also advanced sharply from July to the highest level on record. The index for August was 136 compared to 116 in August last year.
>
> The indexes of bank debits at 94 cities and at farming centers both advanced over July. The bank debits index at farming centers was the highest in our records which date back to 1928. The index of Minnesota employment advanced 3 points to 128, a new high; the miscellaneous carloadings index advanced to 130, the highest August since 1929.

Tenth (Kansas City) District

The following regarding business and agricultural conditions in the Tenth Federal Reserve District was reported in the Sept. 29 "Monthly Review" issued by the Federal Reserve Bank of Kansas City:

> Wholesale trade in August was a third larger than a year ago and even more active than retail trade. In the first three weeks of September department store sales were only 12% above the same period last year

(Continued on Page 639)

RFC Operations Report Through Aug. 31 Shows Authorizations Outweigh Repayments 3 to 1

In his monthly report of operations of the Reconstruction Finance Corporation, issued Sept. 22, Charles B. Henderson, Chairman of the Corporation, states that authorizations and commitments of the RFC during August amounted to $437,502,980, rescissions of previous authorizations and commitments amounted to $9,371,600, making total authorizations through Aug. 31, 1941, and tentative commitments outstanding at the end of the month of $18,537,875,088. This latter amount includes a total of $1,680,049,946 authorized for other Governmental Agencies and $1,800,000,000 for Relief from organization through Aug. 31, 1941.

Authorizations aggregating $91,945,099 were canceled or withdrawn during August, Mr. Henderson said, making total cancellations and withdrawals of $2,513,787,675. A total of $3,605,686,843 remains available to borrowers and to banks in the purchase of preferred stock and debentures.

During August, $172,937,194 was disbursed for loans and invest-

(Continued on Page 638)

RFC Authorizations Outweigh Repayments

(Continued from Page 637)

ments and $42,175,038 was repaid, making total disbursements through Aug. 31, 1941, of $9,032,068,959 and repayments of $6,510,289,104 (approximately 73%). The Chairman's report continued:

During August, loans to banks and trust companies (including those in liquidation) were increased in the amount of $939,240, $162,556 was canceled, $217,208 was disbursed and $3,546,237 was repaid. Through Aug. 31, 1941, loans have been authorized to 7,541 banks and trust companies (including those in receivership) aggregating $2,603,656,106. Of this amount $517,682,365 has been withdrawn, $16,604,102 remains available to borrowers and $2,069,369,638 has been disbursed. Of this latter amount $1,971,885,843, approximately 95%, has been repaid. Only $5,639,812 is owing by open banks and that includes $5,078,380 from one mortgage and trust company.

Through Aug. 31, 1941, authorizations have been made for the purchase of preferred stock, capital notes and debentures of 6,804 banks and trust companies aggregating $1,466,760,663 and 1,123 loans were authorized in the amount of $52,811,026 to be secured by preferred stock, a total authorization for preferred stock, capital notes and debentures of 6,874 banks and trust companies of $1,519,571,689. $174,322,857 of this has been withdrawn and $812,500 remains available to the banks when conditions of authorizations have been met.

During August, loans for distribution to depositors of closed banks were increased in the amount of $939,240, $162,556 was canceled, $217,209 was disbursed and $3,300,837 was repaid. Through Aug. 31, 1941, loans have been authorized for distribution to depositors of 2,778 closed banks aggregating $1,391,382,469. $340,136,605 of this amount has been withdrawn and $16,586,102 remains available to the borrowers. $1,034,659,762 has been disbursed and $988,232,027, approximately 95%, has been repaid.

During August, the authorizations to finance drainage, levee and irrigation districts were increased by $54,000, $828 was canceled and $24,716 was disbursed. Through Aug. 31, 1941, loans have been authorized to refinance 660 drainage, levee and irrigation districts aggregating $147,469,808, of which $46,204,600 has been withdrawn; $3,439,176 remains available to the borrowers and $97,826,032 has been disbursed.

Under the provisions of Section 5 (d), which was added to the Reconstruction Finance Corporation Act June 19, 1934, and amended April 13, 1938, 35 loans to industry, aggregating $4,083,677 were authorized during August and authorizations in the amount of $3,976,662 were canceled or withdrawn. Through Aug. 31, 1941, including loans to the fishing industry, to banks and to mortgage loan companies to assist business and industry, the Corporation has authorized 7,842 loans for the benefit of industry aggregating $502,820,494. Of this amount $106,703,407 has been withdrawn and $121,891,639 remains available to the borrowers. In addition, the Corporation agreed to purchase participations amounting to $804,500 in loans to nine businesses during August and similar authorizations aggregating $1,407,514 were withdrawn. Through Aug. 31, 1941, the Corporation has authorized or has agreed to the purchase of participations aggregating $113,854,121 of 1,946 businesses, $61,095,903 of which has been withdrawn and $31,660,324 remains available.

During August, disbursements in the amount of $540,000 were made to public agencies for self-liquidating projects and repayments amounted to $558,833. Through Aug. 31, 1941, 407 loans have been authorized on self-liquidating projects aggregating $776,286,433. $75,600,643 of this amount has been withdrawn and $97,247,575 remains available to the borrowers. $603,438,215 has been disbursed and $515,004,736 has been repaid.

During August the Corporation purchased from the Public Works Administration one block (one issue) of securities having a par value of $3,529 and sold securities previously purchased from the PWA having a par value of $2,893,475 at a premium of $71,348, The Corporation also collected maturing PWA securities having par value of $188,762. Through Aug. 31, 1941, the Corporation has purchased from the PWA, Federal Works Agency (formerly Federal Emergency Administration of Public Works) 4,418 blocks (3,316 issues) of securities having par value of $694,239,788. Of this amount, securities having par value of $516,662,670 were sold at a premium of $14,382,404. Securities having a par value of $144,462,493 are still held. In addition, the Corporation has agreed to purchase, to be held and collected or sold at a later date, such part of securities having an aggregate par value of $3,730,000 as the Administration is in a position to deliver from time to time.

The report listed as follows disbursements and repayments for all purposes from Feb. 2, 1932, to Aug. 31, 1941:

	Disbursements	Repayments
	$	$
Loans under Section 5:		
Banks and trust companies (incl. receivers)	2,020,206,321.20	1,925,014,869.47
Railroads (including receivers)	810,325,175.16	*349,248,921.25
Mortgage loan companies	646,192,501.60	448,748,944.58
Federal Land banks	387,236,000.00	387,236,000.00
Regional Agricultural Credit corporations	173,243,640.72	173,243,640.72
Building and loan associations (incl. receivers)	124,596,664.73	121,022,276.29
Insurance companies	90,693,209.81	88,045,380.21
Joint Stock Land banks	24,666,,880.20	23,222,823.37
State funds for insur. of deposits of public moneys	13,064,631.18	13,064,631.18
Livestock Credit corporations	12,971,598.69	12,971,598.69
Federal Intermediate Credit banks	9,250,000.00	9,250,000.00
Agricultural Credit corporations	5,643,618.22	5,599,953.83
Fishing industry	719,675.00	671,009.54
Credit unions	600,095.79	600,095.79
Processors or distributors for payment of processing tax	14,718.06	14,718.06
Total loans under Section 5	4,319,424,730.36	3,557,954,863.38
Loans to Secretary of Agriculture to purchase cotton.	3,300,000.00	3,300,000.00
Loans for refinincing drainage, levee and irrigation districts	97,826,032.38	20,582,061.35
Loans to public school authorities for payment of teachers' salaries and for refinancing outstanding indebtedness	23,242,170.85	22,391,900.00
Loans to aid in financing self-liquidating construction projects	603,438,215.14	515,004,736.13
Loans for repair and reconstruction of property damaged by earthquake, fire, tornado, flood and other catastrophes	12,003,055.32	5,174,022.00
Loans to aid in financing the sale of agricultural surpluses in foreign markets	47,300,825.57	47,251,981.13
Loans to business enterprises	288,787,170.09	130,911,545.29
Loans to the United Kingdom of Great Britain and Northern Ireland	100,000,000.00	------
Loans for national defense	459,606,008.31	66,979,784.71
Loans to Export-Import Bank	25,000,000.00	25,000,000.00
Loans on and purchases of assets of closed banks	49,163,317.26	46,870,973.88
Loans to mining businesses	6,900,909.40	2,960,699.53
Loans to finance the carrying and orderly marketing of agricultural commodities and livestock:		
Commodity Credit Corporation	767,716,962.21	767,716,962.21
Other	19,644,491.78	18,999,873.00
Total loans, excl. of loans secured by pref. stock	6,823,353,888.67	5,231,099,402.61
Purchase of preferred stock, capital notes and debentures of banks and trust companies (including $45,161,800.76 disbursed and $17,348,642.90 repaid on loans secured by preferred stocks)	1,344,436,331.56	731,832,037.85
Purchase of stock of Federal Home Loan banks	124,741,000.00	------
Purchase of stock of the RFC Mortgage Co.	25,000,000.00	------
Purchase of stock of the Fed. Nat. Mtge. Assn.	11,000,000.00	------
Purchase of Stock-Metals Reserve Co.	5,000,000.00	------
Purchase of Stock-Rubber Reserve Co.	2,000,000.00	------
Purchase of Stock-Defense Plant Corp.	5,000,000.00	------
Purchase of Stock-Defense Supplies Corp.	5,000,000.00	------
Loans secured by preferred stock of insurance companies (including $100,000 disbursed for the purchase of preferred stock)	34,475,000.00	12,455,381.37
Total	1,556,652,331.56	744,387,419.22
Public Works Administration, Federal Works Agency, security transactions	652,062,738.55	534,802,282.01
Total	9,032,068,958.78	6,510,289,103.84
Allocations to governmental agencies under provisions of existing statutes:		
Secretary of the Treasury to purchase:		
Capital stock of Home Owners' Loan Corp.	200,000,000.00	------
Capital stock of Federal Home Loan banks	124,741,000.00	------
Farm Loan (now Land Bank) Commissioner for loans to:		
Farmers	145,000,000.00	------
Joint Stock Land banks	2,600,000.00	------
Federal Farm Mtge. Corp. for loans to farmers	55,000,000.00	------
Federal Housing Administrator:		
To create mutual mortgage insurance fund	10,000,000.00	------
For other purposes	81,186,380.80	------
Sec. of Agricul. for crop loans to farmers (net)	115,000,000.00	------
Sec. of Agricul.—Rural rehabilitation loans	116,390,000.00	57,452,041.80
Farm tenant loans	38,350,000.00	1,676,236.07
Governor of the Farm Credit Administration for revolving fund to provide capital for production credit corporations	40,500,000.00	------
Stock—Commodity Credit Corporation	97,000,000.00	------
Stock—Disaster Loan Corporation	24,000,000.00	------
Regional Agricultural Credit corporations for:		
Purchase of capital stock (incl. $39,500,000 held in revolving fund)	44,500,000.00	------
Expenses—Prior to May 27, 1933	3,108,000.00	------
Since May 26, 1933	14,730,852.92	------
Administrative	116,494.55	------
Administrative expense—1932 relief	126,871.85	------
Rural Electrification Administration	195,500,000.00	2,425.46
Total allocations to governmental agencies	1,307,849,878.76	59,130,703.33
For relief—To States directly by Corporation	299,984,999.00	*a*17,159,232.30
To States on certification of Federal Relief Administrator	499,999,065.72	------
Under Emergency Appropriation Act—1935	500,000,000.00	------
Under Emergency Relief Appropriation Act, 1935	500,000,000.00	------
Total for relief	1,799,984,084.72	17,159,232.30
Interest on notes issued for funds for allocations and relief advances	33,177,419.82	------
Total allocations and relief	3,141,011,363.30	76,289,935.63
Grand total	12,173,080,322.08	6,586,579,039.47

* Does not include $4,450,000 represented by notes of the Canadian Pacific Ry. Co., which were accepted in payment for the balance due on loan made to the Minneapolis St. Paul & Sault Ste. Marie Ry. Co.

a In addition to the repayments of funds disbursed for relief the Emergency Relief and Construction Act of 1932, the Corporation's notes have been canceled in the amount of $2,735,494,131 on account of amounts disbursed for allocations to other governmental agencies and for relief by direction of Congress and the interest paid thereon, pursuant to provisions of an Act (Public No. 432) approved Feb. 24, 1938.

The loans authorized and authorizations canceled or withdrawn for each railroad, together with the amount disbursed to and repaid by each, are shown in the following table (as of Aug. 31, 1941), contained in the report:

	Authorized	Authorizations Canceled or Withdrawn	Disbursed	Repaid
	$	$	$	$
Aberdeen & Rockfish RR. Co.	127,000	------	127,000	127,000
Ala. Tenn. & Northern RR. Corp.	275,000	------	275,000	90,000
Alton RR. Co.	2,500,000	------	2,500,000	1,174,223
Ann Arbor RR. Co (receivers)	634,757	------	634,757	634,757
Ashley Drew & Northern Ry. Co.	400,000	------	400,000	400,060
Baltimore & Ohio RR. Co.	95,358,000	14,600	95,343,400	12,484,020
Birmingham & Southeastern RR. Co.	41,300	------	41,300	41,300
Boston & Maine RR.	47,877,937	------	47,877,937	7,684,937
Buffalo Union-Carolina RR.	53,960	53,960	------	------
Carlton & Coast RR. Co.	549,000	13,200	535,800	141,697
Carolina Clinchfield & Ohio Ry. (Atlanitc Coast Line and Louisville & Nashville, lessees)	*d*18,300,000	4,150,000	14,150,000	14,150,000
Central of Georgia Ry. Co.	3,124,319	------	3,124,319	220,692
Central RR. Co. of N. J.	500,000	35,701	464,299	464,299
Charles City Western Ry. Co.	140,000	------	140,000	140,000
Chicago & Eastern Illinois Ry. Co.	5,916,500	------	5,916,500	155,632
Chicago & Eastern Ill. RR. Co.	4,933,000	------	4,933,000	247,000
Chicago & North Western Ry. Co.	46,589,133	1,000	46,588,133	4,338,000
Chic. Great Western RR. Co.	1,289,000	------	1,289,000	1,289,000
Chicago Gt. West. RR. Co. (trustee)	150,000	------	150,000	150,000
Chicago Gt. West. Ry. Co.	6,396,870	------	6,396,870	10,341
Chic. Milw. St. P. & Pac. RR. Co.	12,000,000	500,000	11,500,000	1,080,537
Chic. Milw. St. P. & Pac. RR. Co., (trustee)	8,920,000	158,000	8,762,000	8,762,000
Chic. St. P. Minn. & Omaha Ry. Co.	1,680,000	------	------	------
Chicago No. Shore & Milw. RR. Co.	1,150,000	------	1,150,000	------
Chicago R. I. & Pac. Ry. Co.	13,718,700	------	13,718,700	------
Chic. R. I. & Pac. Ry. Co. (trustees)	2,680,000	------	2,680,000	2,680,000
Cincinnati Union Terminal Co.	10,398,925	2,098,925	8,300,000	8,300,000
Colorado & Southern Ry. Co.	30,123,900	68,678	30,055,222	1,623,040
Columbus & Greenville Ry. Co.	60,000	60,000	------	------
Copper Range RR. Co.	53,500	------	53,500	53,500
Del. Lackawanna & Western RR.	5,100,000	------	5,100,000	2,465,000
Denver & Rio Grande W. RR. Co.	8,300,000	219,000	8,081,000	500,000
Denver & Rio Grande W. RR. Co. (trustees)	1,800,000	------	1,800,000	1,800,000
Denver & Salt Lake West. RR. Co.	3,182,150	------	3,182,150	71,300
Erie RR. Co.	16,582,000	------	16,852,000	582,000
Erie RR. Co. (trustees)	10,000,000	------	10,000,000	3,300,000
Eureka Nevada Ry. Co.	3,000	3,000	------	------
Fla. E. Coast Ry. Co. (receivers)	1,957,075	90,000	1,867,075	813,075
Ft. Smith & W. Ry. Co. (receivers)	227,434	------	227,434	10,000
Ft. Worth & Den. City Ry. Co.	8,795,500	15,078	8,780,422	61,422
Fredericksburg & North. Ry. Co.	15,000	15,000	------	------
Gainesville Midland RR. Co.	78,000	------	78,000	23,000
Gainesville Midl'd Ry. (receivers)	10,539	10,539	------	------
Galv. Houston & Hend. RR. Co.	3,183,000	------	3,183,000	1,211,000
Galveston Terminal Ry. Co.	546,000	------	546,000	------
Georgia & Fla. RR. Co. (receivers)	354,721	------	354,721	------
Grand Trunk West RR. Co.	5,692,000	------	------	------
Great Northern Ry. Co.	125,422,400	99,422,400	26,000,000	26,000,000
Green County RR. Co.	13,915	------	13,915	13,915
Gulf Mobile & Northern RR. Co.	520,000	------	520,000	520,000
Gulf Mobile & Ohio RR. Co. and Gulf Mobile & North RR. Co.	9,500,000	------	9,500,000	597,000
Illinois Central RR. Co.	56,095,667	22,667	56,073,000	1,418,340
Kansas City Southern Ry. Co.	1,112,000	------	1,112,000	1,112,000
Lehigh Valley RR. Co.	10,278,000	1,000,000	9,278,000	9,278,000
Litchfield & Madison Ry. Co.	800,000	------	800,000	800,000
Louisiana & Arkansas Ry. Co.	*3,200,000	350,000	2,500,000	450,000
Maine Central RR. Co.	2,550,000	------	2,550,000	2,550,000
Maryland & Penna. RR. Co.	288,500	3,000	285,500	50,000
Meridian & Bigbee River Ry. Co. (trustee)	1,729,252	744,252	985,000	------
Minn. St. P. & S. Ste. Marie Ry. Co.	6,843,082	------	6,843,082	*a*6,843,082
Mississippi Export RR. Co.	100,000	------	100,000	100,000
Missouri-Kansas-Texas RR. Co.	5,124,000	------	5,124,000	2,309,760
Missouri Pacific RR. Co.	23,134,800	------	23,134,800	------
Missouri Southern RR. Co.	99,200	------	99,200	99,200
Mobile & Ohio RR. Co.	785,000	------	785,000	785,000
Mobile & Ohio RR. Co. (receivers)	1,070,599	------	1,070,599	1,070,599
Murfreesboro-Nashville Ry. Co.	25,000	------	25,000	------
New York Central RR. Co.	*b*41,499,000	5,000,000	36,499,000	36,499,000
N. Y. Chic. & St. L. RR. Co.	18,200,000	------	18,200,000	18,200,000
N. Y. N. H. & Harford RR. Co.	7,700,000	222	7,699,778	975,008
Norfolk South. RR. Co. (receivers)	1,681,000	------	1,681,000	109,000
Northern Pacific Ry. Co.	5,000,000	------	5,000,000	5,000,000
Pennsylvania RR. Co.	29,500,000	600,000	28,900,000	28,900,000
Pere Marquette Ry. Co.	3,000,000	------	3,000,000	3,000,000
Pioneer & Fayette RR.	17,000	------	17,000	15,000
Pittsburgh & W. Va. Ry. Co.	9,045,207	------	9,045,207	4,975,207
Puget Sound & Cascade Ry. Co.	300,000	------	300,000	300,000
St. Louis-San Fran. Ry. Co.	7,995,175	------	7,995,175	2,805,175
St. Louis-Southwestern Ry. Co.	18,790,000	117,750	18,672,250	18,672,250
Salt Lake & Utah RR. Co. (receivers)	200,000	------	200,000	200,000
Salt Lake & Utah RR. Corp.	400,000	------	400,000	222,500
Savannah & Atlanta Ry. Co.	1,300,000	65,000	1,235,000	52,000
Sand Springs Ry. Co.	162,600	------	162,600	162,600
Seaboard Air Line Ry Co. (receivers) *c*	*c*8,545,000	128,000	8,225,000	624,000
Southern Pacific Co.	45,200,000	1,200,000	44,000,000	37,000,000
Southern Ry. Co.	51,405,000	500,000	50,905,000	47,471,000
Sumpter Valley Ry. Co.	100,000	------	100,000	100,000
Tennessee Central Ry. Co.	5,332,700	------	5,332,700	193,700
Texas City Terminal Ry. Co.	1,897,000	------	1,897,000	------
Texas Okla. & Eastern RR. Co.	108,740	108,740	------	------
Texas & Pacific Ry. Co.	2,035,000	------	2,035,000	789,000
Texas-South-Eastern RR. Co.	30,000	------	30,000	30,000
Tuckerton RR. Co.	45,000	6,000	39,000	39,000
The Utah Idaho Cent. RR. Corp.	452,000	------	452,000	210,080
Wabash Ry. Co. (receivers)	25,981,583	8,200	25,973,383	10,241,800
Western Pacific RR. Co.	4,366,000	------	4,366,000	1,403,000
Western Pacific RR. Co. (trustees)	13,502,922	------	13,502,922	3,711,408
Wichita Falls & Southern RR. Co.	750,000	------	750,000	500,000
Wrightsville & Tennille RR.	22,525	------	22,525	22,525
Totals	935,022,087	116,782,912	810,325,175	353,698,921

*Includes two guarantees of $350,000 each (one of which has been canceled); in addition the Corporation also guaranteed the payment of interest.

a The loan to Minneapolis St. Paul & Sault Ste. Marie Ry. Co. (The Soo Line) was secured by its bonds, the interest on which was guaranteed by the Canadian Pacific Ry. Co. and when the "Soo Line" went into bankruptcy, we sold the balance due on the loan to the Canadian Pacific, receiving $662,245.50 in cash and Canadian Pacific Ry. Co. notes for $5,500,000, maturing over a period of 10 years, $1,050,000 of which matured and has been paid.

b Includes a $5,000,000 guarantee (now canceled); in addition the Corporation also guaranteed the payment of interest.

c Includes $320,000 guarantee by the Corporation of securities sold by it. Since the sale, $128,000 of the $320,000 has been repaid by the railroad, thus reducing the Corporation's liability under the guarantee.

d Includes an agreement by which the Corporation may be required, or may elect, to repurchase at any time prior to maturity, $4,150,000 securities sold by it (now canceled).

In addition to the above loans authorized the Corporation has approved, in principle, loans in the amount of $394,799,259 upon the performance of specified conditions. Of this amount $334,370,821 has been canceled, leaving $60,428,438 outstanding at the end of the month.

Petroleum And Its Products

(Continued from Page 634)

from Sept. 1 and 1.45 cents a gallon above the level ruling on the comparable date last year, a survey of 50 leading cities by the American Petroleum Institute disclosed. Service station prices, before taxes, on Oct. 1 were up 10 points at 14.04 cents from a month earlier, and 1.84 cents better than on Oct. 1, 1940.

Prices of both the above are currently at their highest levels since the Fall of 1938, it was pointed out in the report. The service station price of 19.99 cents, which includes 5.95 cents in taxes, is the highest since November of 1937 and compares with 19.89 cents on Sept. 1, last, and 18.10 cents a gallon on Oct. 1, last year. Prices would be even higher, it is thought, were it not for the fair price ceiling established by the Government.

Inventories of finished, unfinished and aviation motor fuel showed a seasonal gain of 511,000 barrels during the Oct. 11 week, according to the mid-week report of the American Petroleum Institute, rising to 81,381,000 barrels. Production of gasoline rose to 13,515,000 barrels from 13,359,000 barrels in the previous week. Refinery operations rose to 94.7% of capacity, with daily average runs of crude oil to stills gaining 60,000 to 4,075,000 barrels.

Ten refining companies in Western Pennsylvania have been granted 15-day exemptions from an order prohibiting gasoline shipments from 17 Eastern States to eastern Ohio, it was announced in Pittsburgh early this week by J. W. Frey of the Office of Petroleum Coordinator. The announcement was made at a meeting of refiners and distributors, held to consider gasoline supply problems in eastern Ohio, which has not been subject to the same rationing as the Eastern States. He also said that he had recommended that permanent exceptions be made to a rule forbidding shipments of aviation gasoline and other non-motor fuel grades to Ohio. The order permitting gasoline shipments is merely to allow companies to clear up previous committments.

Price changes were confined again mainly to local readjustments with the Federal "fair price" table still remaining a ceiling on the general price structure.

Foreign Front

(Continued from Page 636)

would prefer a pacific United States, while commiting encroachments upon other countries. But the Japanese rulers are desperate after five years of continuous warfare against China, and even the risk of war with Britain and the United States may not deter the Tokio militarists if the Germans administer further defeats upon the European Russian forces.

Panama

Without preliminary warnings of any kind a coup d'etat was effected in the Central American republic of Panama, last Thursday, with the result that the Fascist-inclined President Arnulfo Arias was displaced by Ricardo Adolfo de la Guardia, ranking Cabinet officer under the former President. This "Palace Revolution" would have attracted little attention in ordinary circumstances, since changes effected by such swift means are far from unknown in Latin-America. Only a few days before, however, Dr. Arias had prohibited arming of the numerous American-owned merchant ships which now fly the Panamanian flag.

Whether or not the change in government in Panama can be linked to the order respecting the arming of merchant ships is not clear. Washington spokesmen denied emphatically any moves tending toward this upset. The change, however, was welcomed in the capital, where it was viewed as preliminary to further arming of vessels owned by the United States Government. Several of these vessels have been sunk by German submarines in recent weeks, and relations between Germany and Panama became strained in consequence. Cooperation by Panama in the defense arrangements of the Canal also seems to have been improved as a result of the change, according to Panama reports.

No one familiar with the succession of regimes in Panama can regret the change that now has taken place. The Washington assurances of non-intervention should be taken at their face value, and it is to be hoped that other Latin-Americans will not see in the change a threat to their institutions from Washington. After being ousted, Dr. Arias flew by airplane to Havana, but after a few days in that Cuban city he embarked for his own country and presumably will receive just and proper treatment there.

Cash Subscriptions To Treasury Offering Of 2½% Bonds Of 1961-72 Total Ten Billion

The Treasury Department announced on Oct. 11 that preliminary reports as to the offering on Oct. 9 of $1,200,000,000 of 2½% Treasury Bonds of 1967-72 showed cash subscriptions slightly in excess of $10,000,000,000. It was also made known that about 90% of the holders of the 1¼% Treasury Notes of Series C-1941, maturing Dec. 15, 1941 in amount of $204,425,000, were exchanging their notes for the new 2½% bonds.

The subscription books for the receipt of cash subscriptions were closed at the close of business Oct. 9 while the exchange subscriptions were received up to Oct. 10.

An additional amount of $100,000,000 of the bonds may be sold to Government Investment Accounts during the next month.

The following bearing on the new bonds is from the Treasury's announcement of Oct. 9:

> The Treasury Bonds of 1967-72, offered for cash subscription and in exchange for the notes due Dec. 15, 1941, will be dated Oct. 20, 1941, and will bear interest from that date at the rate of 2½% per annum, payable semi-annually on Mar. 15 and Sept. 15. The first coupon due March 15, 1942, will be for a fractional period. The bonds will mature Sept. 15, 1972, but may be redeemed, at the option of the United States, on and after Sept. 15, 1967. They will be issued in two forms: bearer bonds with interest coupons attached, and bonds registered both as to principal and interest. Both forms will be issued in the denominations of $50, $100, $500, $1,000, $5,000, $10,000 and $100,000.
>
> Pursuant to the provisions of the Public Debt Act of 1941, interest upon the bonds now offered shall not have any exemption, as such, under Federal Tax Acts now or hereafter enacted. Otherwise the securities will be accorded the same exemptions from taxation as are accorded other issues of Treasury bonds now outstanding.

This Treasury financing operation is the largest of its kind since the World War Liberty Bond issues. The only other recent cash transaction comparing with the present one was in June 1936, when the Treasury sold $1,106,000,000 of 15-18 year 2¾% bonds and five-year 1⅜% notes in connection with the Soldiers' Bonus payment.

The text of the Treasury's official circular follows:

UNITED STATES OF AMERICA
2½% Treasury Bonds of 1967-72

Dated and bearing interest from Oct. 20, 1941. Due Sept. 15, 1972
Redeemable at the option of the United States at par and accrued interest on and after Sept. 15, 1967.
Interest payable March 15 and Sept. 15.

Treasury Department,
Office of the Secretary,
Washington, Oct. 9, 1941.

1941
Department Circular No. 670

Fiscal Service
Bureau of the Public Debt

I. Offering of Bonds

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for 2½% bonds of the United States, designated Treasury Bonds of 1967-72. The amount of the public offering is $1,200,000,000, or thereabouts, with the right reserved to the Secretary of the Treasury to increase the offering by an amount sufficient to accept all subscriptions for which Treasury Notes of Series C-1941, maturing Dec. 15, 1941, are tendered in payment and accepted. In addition to the amount offered for public subscription, $100,000,000, or thereabouts, of these bonds may be allotted to Government investment accounts against cash payment.

II. Description of Bonds

1. The bonds will be dated Oct. 20, 1941, and will bear interest from that date at the rate of 2½% per annum, payable on a semi-annual basis on March 15 and Sept. 15 in each year until the principal amount becomes payable. They will mature Sept. 15, 1972, but may be redeemed at the option of the United States on and after Sept. 15, 1967, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege and will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $50, $100, $500, $1,000, $5,000, $10,000 and $100,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. Subscription and Allotment

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be alloted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Cash subscriptions from all others must be accompanied by payment of 10% of the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions in payment of which Treasury Notes of Series C-1941 are tendered will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. Payment

1. Payment at par and accrued interest, if any, for bonds allotted on cash subscriptions hereunder must be made or completed on or before Oct. 20, 1941, or on later allotment. In every case where payment is not so completed, the payment with application up to 10% of the amount of bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district. Treasury Notes of Series C-1941, maturing Dec. 15, 1941, with coupon dated Dec. 15, 1941, attached, will be accepted at par in payment for any bonds subscribed for and allotted, and should accompany the subscription. Accrued interest from June 15, 1941 to Oct. 20, 1941, ($4.33743 per $1,000), will be paid following acceptance of the notes.

V. General Provisions

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

Henry Morgenthau, Jr.,
Secretary of the Treasury.

Reserve Banks Report On Business

(Continued from Page 637)

as compared with 26% in August.

Coal production is stimulated by industrial expansion and lead ore shipments are nearly a half larger. Construction continues at a very high level.

Good rains and the absence of killing frosts have produced an abundance of fall feed and livestock will go into the winter in exceptionally good contion.

Eleventh (Dallas) District

According to the Dallas Federal Reserve Bank, the distribution of commodities to consumers in the Eleventh District increased sharply during August. The Reserve Bank of Dallas, in indicating this in its "Monthly Business Review" of Oct. 1, further said:

> On a seasonally adjusted basis, department store sales were at an exceptionally high level, exceeding by a wide margin that for any month during the 22 years for which data are available. Retail merchants continued to make heavy purchases of merchandise; wholesale trade expanded in August and averaged about one-third higher than a year ago. Employment and payrolls in Texas rose further during the month. Following a marked increase in July, consumption of cotton at textile mills in Texas declined in August, but remained at a much higher rate than in the corresponding month last year. The production of crude petroleum increased substantially during August, and the output of petroleum products, as measured by crude oil runs to refinery stills, reached a new peak for the second consecutive month.

Twelfth (San Francisco) District

Industrial production in the Twelfth District continued to expand during August and September, and the advance was accompanied by further increases in factory employment and payrolls which again established new records, according to the Federal Reserve Bank of San Francisco. Under date of Sept. 30 the bank further reported:

> Disregarding a large seasonal increase in workers at fruit and vegetable canneries, the principal gains in August in the actual number of employed workers occurred in the aircraft and shipbuilding industries, as in other months of the past year or more.
>
> New private residential building declined slightly in August, although some seasonal expansion has been customary in that month.
>
> Consumer buying at district department stores advanced sharply in August, seasonal factors considered, value of sales exceeding that of a year earlier by 34%. Preliminary data indicate, however, that this large gain was not retained in September.

RFC Authorizations Outweigh Repayments

(Continued from Page 637)

ments and $42,175,038 was repaid, making total disbursements through Aug. 31, 1941, of $9,032,068,959 and repayments of $6,510,289,104 (approximately 73%). The Chairman's report continued:

During August, loans to banks and trust companies (including those in liquidation) were increased in the amount of $939,240, $162,556 was canceled, $217,208 was disbursed and $3,546,237 was repaid. Through Aug. 31, 1941, loans have been authorized to 7,541 banks and trust companies (including those in receivership) aggregating $2,603,656,106. Of this amount $517,682,365 has been withdrawn, $16,604,102 remains available to borrowers and $2,069,369,638 has been disbursed. Of this latter amount $1,971,885,843, approximately 95%, has been repaid. Only $5,639,812 is owing by open banks and that includes $5,078,380 from one mortgage and trust company.

Through Aug. 31, 1941, authorizations have been made for the purchase of preferred stock, capital notes and debentures of 6,804 banks and trust companies aggregating $1,466,760,663 and 1,123 loans were authorized in the amount of $52,811,026 to be secured by preferred stock, a total authorization for preferred stock, capital notes and debentures of 6,874 banks and trust companies of $1,519,571,689. $174,322,857 of this has been withdrawn and $812,500 remains available to the banks when conditions of authorizations have been met.

During August, loans for distribution to depositors of closed banks were increased in the amount of $939,240, $162,556 was canceled, $217,209 was disbursed and $3,300,837 was repaid. Through Aug. 31, 1941, loans have been authorized for distribution to depositors of 2,778 closed banks aggregating $1,391,382,469. $340,136,605 of this amount has been withdrawn and $16,586,102 remains available to the borrowers. $1,034,659,762 has been disbursed and $988,232,027, approximately 95%, has been repaid.

During August, the authorizations to finance drainage, levee and irrigation districts were increased by $54,000, $828 was canceled and $24,716 was disbursed. Through Aug. 31, 1941, loans have been authorized to refinance 660 drainage, levee and irrigation districts aggregating $147,469,808, of which $46,204,600 has been withdrawn; $3,439,176 remains available to the borrowers and $97,826,032 has been disbursed.

Under the provisions of Section 5 (d), which was added to the Reconstruction Finance Corporation Act June 19, 1934, and amended April 13, 1938, 35 loans to industry, aggregating $4,083,677 were authorized during August and authorizations in the amount of $3,976,662 were canceled or withdrawn. Through Aug. 31, 1941, including loans to the fishing industry, to banks and to mortgage loan companies to assist business and industry, the Corporation has authorized 7,842 loans for the benefit of industry aggregating $502,820,494. Of this amount $106,703,407 has been withdrawn and $121,891,639 remains available to the borrowers. In addition, the Corporation agreed to purchase participations amounting to $804,500 in loans to nine businesses during August and similar authorizations aggregating $1,407,514 were withdrawn. Through Aug. 31, 1941, the Corporation has authorized or has agreed to the purchase of participations aggregating $113,854,121 of 1,946 businesses, $61,095,903 of which has been withdrawn and $31,660,324 remains available.

During August, disbursements in the amount of $540,000 were made to public agencies for self-liquidating projects and repayments amounted to $558,833. Through Aug. 31, 1941, 407 loans have been authorized on self-liquidating projects aggregating $776,286,433. $75,600,643 of this amount has been withdrawn and $97,247,575 remains available to the borrowers. $603,438,215 has been disbursed and $515,004,736 has been repaid.

During August the Corporation purchased from the Public Works Administration one block (one issue) of securities having a par value of $3,529 and sold securities previously purchased from the PWA having a par value of $2,893,475 at a premium of $71,348. The Corporation also collected maturing PWA securities having par value of $188,762. Through Aug. 31, 1941, the Corporation has purchased from the PWA, Federal Works Agency (formerly Federal Emergency Administration of Public Works) 4,418 blocks (3,316 issues) of securities having par value of $694,239,788. Of this amount, securities having par value of $516,662,670 were sold at a premium of $14,382,404. Securities having a par value of $144,462,493 are still held. In addition, the Corporation has agreed to purchase, to be held and collected or sold at a later date, such part of securities having an aggregate par value of $3,730,000 as the Administration is in a position to deliver from time to time.

The report listed as follows disbursements and repayments for all purposes from Feb. 2, 1932, to Aug. 31, 1941:

	Disbursements	Repayments
	$	$
Loans under Section 5:		
Banks and trust companies (incl. receivers)	2,020,206,321.20	1,925,014,869.47
Railroads (including receivers)	810,325,175.16	*349,248,921.25
Mortgage loan companies	646,192,501.60	448,748,944.58
Federal Land banks	387,236,000.00	387,236,000.00
Regional Agricultural Credit corporations	173,243,640.72	173,243,640.72
Building and loan associations (incl. receivers)	124,596,664.73	121,022,276.29
Insurance companies	90,693,209.81	88,045,380.21
Joint Stock Land banks	24,666,,880.20	23,222,823.37
State funds for insur. of deposits of public moneys	13,064,631.18	13,064,631.18
Livestock Credit corporations	12,971,598.69	12,971,598.69
Federal Intermediate Credit banks	9,250,000.00	9,250,000.00
Agricultural Credit corporations	5,643,618.22	5,599,953.83
Fishing industry	719,675.00	671,009.54
Credit unions	600,095.79	600,095.79
Processors or distributors for payment of processing tax	14,718.06	14,718.06
Total loans under Section 5	4,319,424,730.36	3,557,954,863.38
Loans to Secretary of Agriculture to purchase cotton.	3,300,000.00	3,300,000.00
Loans for refinincing drainage, levee and irrigation districts	97,826,032.38	20,582,061.35
Loans to public school authorities for payment of teachers' salaries and for refinancing outstanding indebtedness	23,242,170.85	22,391,900.00
Loans to aid in financing self-liquidating construction projects	603,438,215.14	515,004,736.13
Loans for repair and reconstruction of property damaged by earthquake, fire, tornado, flood and other catastrophes	12,003,055.32	5,174,022.00
Loans to aid in financing the sale of agricultural surpluses in foreign markets	47,300,825.57	47,251,981.13
Loans to business enterprises	288,787,170.09	130,911,545.29
Loans to the United Kingdom of Great Britain and Northern Ireland	100,000,000.00	----
Loans for national defense	459,606,008.31	66,979,784.71
Loans to Export-Import Bank	25,000,000.00	25,000,000.00
Loans on and purchases of assets of closed banks	49,163,317.26	46,870,973.88
Loans to mining businesses	6,900,909.40	2,960,699.53
Loans to finance the carrying and orderly marketing of agricultural commodities and livestock:		
Commodity Credit Corporation	767,716,962.21	767,716,962.21
Other	19,644,491.78	18,999,873.00
Total loans, excl. of loans secured by pref. stock	6,823,353,888.67	5,231,099,402.61
Purchase of preferred stock, capital notes and debentures of banks and trust companies (including $45,161,800.76 disbursed and $17,348,642.90 repaid on loans secured by preferred stocks)	1,344,436,331.56	731,832,037.85
Purchase of stock of Federal Home Loan banks	124,741,000.00	----
Purchase of stock of the RFC Mortgage Co.	25,000,000.00	----
Purchase of stock of the Fed. Nat. Mtge. Assn.	11,000,000.00	----
Purchase of Stock-Metals Reserve Co.	5,000,000.00	----
Purchase of Stock-Rubber Reserve Co.	2,000,000.00	----
Purchase of Stock-Defense Plant Corp.	5,000,000.00	----
Purchase of Stock-Defense Supplies Corp.	5,000,000.00	----
Loans secured by preferred stock of insurance companies (including $100,000 disbursed for the purchase of preferred stock)	34,475,000.00	12,455,381.37
Total	1,556,652,331.56	744,387,419.22
Public Works Administration, Federal Works Agency, security transactions	652,062,738.55	534,802,282.01
Total	9,032,068,958.78	6,510,289,103.84
Allocations to governmental agencies under provisions of existing statutes:		
Secretary of the Treasury to purchase:		
Capital stock of Home Owners' Loan Corp.	200,000,000.00	----
Capital stock of Federal Home Loan banks	124,741,000.00	----
Farm Loan (now Land Bank) Commissioner for loans to:		
Farmers	145,000,000.00	----
Joint Stock Land banks	2,600,000.00	----
Federal Farm Mtge. Corp. for loans to farmers	55,000,000.00	----
Federal Housing Administrator:		
To create mutual mortgage insurance fund	10,000,000.00	----
For other purposes	81,186,380.80	----
Sec. of Agricul. for crop loans to farmers (net)	115,000,000.00	----
Sec. of Agricul.—Rural rehabilitation loans	116,390,000.00	57,452,041.80
Farm tenant loans	38,350,000.00	1,676,236.07
Governor of the Farm Credit Administration for revolving fund to provide capital for production credit corporations	40,500,000.00	----
Stock—Commodity Credit Corporation	97,000,000.00	----
Stock—Disaster Loan Corporation	24,000,000.00	----
Regional Agricultural Credit corporations for:		
Purchase of capital stock (incl. $39,500,000 held in revolving fund)	44,500,000.00	----
Expenses—Prior to May 27, 1933	3,108,000.00	----
Since May 26, 1933	14,730,852.92	----
Administrative	116,494.55	----
Administrative expense—1932 relief	126,871.85	----
Rural Electrification Administration	195,500,000.00	2,425.46
Total allocations to governmental agencies	1,307,849,878.76	59,130,703.33
For relief—To States directly by Corporation	299,984,999.00	*a*17,159,232.30
To States on certification of Federal Relief Administrator	499,999,065.72	----
Under Emergency Appropriation Act—1935	500,000,000.00	----
Under Emergency Relief Appropriation Act, 1935	500,000,000.00	----
Total for relief	1,799,984,084.72	17,159,232.30
Interest on notes issued for funds for allocations and relief advances	33,177,419.82	----
Total allocations and relief	3,141,011,363.30	76,289,935.63
Grand total	12,173,080,322.08	6,586,379,039.47

* Does not include $4,450,000 represented by notes of the Canadian Pacific Ry. Co., which were accepted in payment for the balance due on loan made to the Minneapolis St. Paul & Sault Ste. Marie Ry. Co.

a In addition to the repayments of funds disbursed for relief the Emergency Relief and Construction Act of 1932, the Corporation's notes have been canceled in the amount of $2,735,494,131 on account of amounts disbursed for allocations to other governmental agencies and for relief by direction of Congress and the interest paid thereon, pursuant to provisions of an Act (Public No. 432) approved Feb. 24, 1938.

The loans authorized and authorizations canceled or withdrawn for each railroad, together with the amount disbursed to and repaid by each, are shown in the following table (as of Aug. 31, 1941), contained in the report:

	Authorized	Authorizations Canceled or Withdrawn	Disbursed	Repaid
	$	$	$	$
Aberdeen & Rockfish RR. Co.	127,000	----	127,000	127,000
Ala. Tenn. & Northern RR. Corp.	275,000	----	275,000	90,000
Alton RR. Co.	2,500,000	----	2,500,000	1,174,223
Ann Arbor RR. Co (receivers)	634,757	----	634,757	634,757
Ashley Drew & Northern Ry. Co.	400,000	----	400,000	400,060
Baltimore & Ohio RR. Co.	95,358,000	14,600	95,343,400	12,484,020
Birmingham & Southeastern RR. Co.	41,300	----	41,300	41,300
Boston & Maine RR.	47,877,937	----	47,877,937	7,684,937
Buffalo Union-Carolina RR.	53,960	53,960	----	----
Carlton & Coast RR. Co.	549,000	13,200	535,800	141,697
Carolina Clinchfield & Ohio Ry. (Atlanitc Coast Line and Louisville & Nashville, lessees)	*d*18,300,000	4,150,000	14,150,000	14,150,000
Central of Georgia Ry. Co.	3,124,319	----	3,124,319	220,692
Central RR. Co. of N. J.	500,000	35,701	464,299	464,299
Charles City Western Ry. Co.	140,000	----	140,000	140,000
Chicago & Eastern Illinois Ry. Co.	5,916,500	----	5,916,500	155,632
Chicago & Eastern Ill. RR. Co.	4,933,000	----	4,933,000	247,000
Chicago & North Western Ry. Co.	46,589,133	1,000	46,588,133	4,338,000
Chic. Great Western RR. Co.	1,289,000	----	1,289,000	1,289,000
Chicago Gt. West. RR. Co. (trustee)	150,000	----	150,000	150,000
Chicago Gt. West. Ry. Co.	6,396,870	----	6,396,870	10,341
Chic. Milw. St. P. & Pac. RR. Co.	12,000,000	500,000	11,500,000	1,080,537
Chic. Milw. St. P. & Pac. RR. Co., (trustee)	8,920,000	158,000	8,762,000	8,762,000
Chic. St. P. Minn. & Omaha Ry. Co.	1,680,000	----	----	----
Chicago No. Shore & Milw. RR. Co.	1,150,000	----	1,150,000	----
Chicago R. I. & Pac. Ry. Co.	13,718,700	----	13,718,700	----
Chic. R. I. & Pac. Ry. Co. (trustees)	2,680,000	----	2,680,000	2,680,000
Cincinnati Union Terminal Co.	10,398,925	2,098,925	8,300,000	8,300,000
Colorado & Southern Ry. Co.	30,123,900	68,678	30,055,222	1,623,040
Columbus & Greenville Ry. Co.	60,000	60,000	----	----
Copper Range RR. Co.	53,500	----	53,500	53,500
Del. Lackawanna & Western RR.	5,100,000	----	5,100,000	2,465,000
Denver & Rio Grande W. RR. Co.	8,300,000	219,000	8,081,000	500,000
Denver & Rio Grande W. RR. Co. (trustees)	1,800,000	----	1,800,000	1,800,000
Denver & Salt Lake West. RR. Co.	3,182,150	----	3,182,150	71,300
Erie RR. Co.	16,582,000	----	16,852,000	582,000
Erie RR. Co. (trustees)	10,000,000	----	10,000,000	3,300,000
Eureka Nevada Ry. Co.	3,000	3,000	----	----
Fla. E. Coast Ry. Co. (receivers)	1,957,075	90,000	1,867,075	813,075
Ft. Smith & W. Ry. Co. (receivers)	227,434	----	227,434	10,000
Ft. Worth & Den. City Ry. Co.	8,795,500	15,078	8,780,422	61,422
Fredericksburg & North. Ry. Co.	15,000	15,000	----	----
Gainesville Midland RR. Co.	78,000	----	78,000	23,000
Gainesville Midl'd Ry. (receivers)	10,539	10,539	----	----
Galv. Houston & Hend. RR. Co.	3,183,000	----	3,183,000	1,211,000
Galveston Terminal Ry. Co.	546,000	----	546,000	----
Georgia & Fla. RR. Co. (receivers)	354,721	----	354,721	----
Grand Trunk West RR. Co.	5,692,000	----	----	----
Great Northern Ry. Co.	125,422,400	99,422,400	26,000,000	26,000,000
Green County RR. Co.	13,915	----	13,915	13,915
Gulf Mobile & Northern RR. Co.	520,000	----	520,000	520,000
Gulf Mobile & Ohio RR. Co. and Gulf Mobile & North RR. Co.	9,500,000	----	9,500,000	597,000
Illinois Central RR. Co.	56,095,667	22,667	56,073,000	1,418,340
Kansas City Southern Ry. Co.	1,112,000	----	1,112,000	1,112,000
Lehigh Valley RR. Co.	10,278,000	1,000,000	9,278,000	9,278,000
Litchfield & Madison Ry. Co.	800,000	----	800,000	800,000
Louisiana & Arkansas Ry. Co.	*3,200,000	350,000	2,500,000	450,000
Maine Central RR. Co.	2,550,000	----	2,550,000	2,550,000
Maryland & Penna. RR. Co.	288,500	3,000	285,500	50,000
Meridian & Bigbee River Ry. Co. (trustee)	1,729,252	744,252	985,000	----
Minn. St. P. & S. Ste. Marie Ry. Co.	6,843,082	----	6,843,082	*a*6,843,082
Mississippi Export RR. Co.	100,000	----	100,000	100,000
Missouri-Kansas-Texas RR. Co.	5,124,000	----	5,124,000	2,309,760
Missouri Pacific RR. Co.	23,134,800	----	23,134,800	----
Missouri Southern RR. Co.	99,200	----	99,200	99,200
Mobile & Ohio RR. Co.	785,000	----	785,000	785,000
Mobile & Ohio RR. Co. (receivers)	1,070,599	----	1,070,599	1,070,599
Murfreesboro-Nashville Ry. Co.	25,000	----	25,000	----
New York Central RR. Co.	*b*41,499,000	5,000,000	36,499,000	36,499,000
N. Y. Chic. & St. L. RR. Co.	18,200,000	----	18,200,000	18,200,000
N. Y. N. H. & Harford RR. Co.	7,700,000	222	7,699,778	975,008
Norfolk South. RR. Co. (receivers)	1,681,000	----	1,681,000	109,000
Northern Pacific Ry. Co.	5,000,000	----	5,000,000	5,000,000
Pennsylvania RR. Co.	29,500,000	600,000	28,900,000	28,900,000
Pere Marquette Ry. Co.	3,000,000	----	3,000,000	3,000,000
Pioneer & Fayette RR.	17,000	----	17,000	15,000
Pittsburgh & W. Va. Ry. Co.	9,045,207	----	9,045,207	4,975,207
Puget Sound & Cascade Ry. Co.	300,000	----	300,000	300,000
St. Louis-San Fran. Ry. Co.	7,995,175	----	7,995,175	2,805,175
St. Louis-Southwestern Ry. Co.	18,790,000	117,750	18,672,250	18,672,250
Salt Lake & Utah RR. Co. (receivers)	200,000	----	200,000	200,000
Salt Lake & Utah RR. Corp.	400,000	----	400,000	222,500
Savannah & Atlanta Ry. Co.	1,300,000	65,000	1,235,000	52,000
Sand Springs Ry. Co.	162,600	----	162,600	162,600
Seaboard Air Line Ry Co. (receivers) *c*	*c*8,545,000	128,000	8,225,000	624,000
Southern Pacific Co.	45,200,000	1,200,000	44,000,000	37,000,000
Southern Ry. Co.	51,405,000	500,000	50,905,000	47,471,000
Sumpter Valley Ry. Co.	100,000	----	100,000	100,000
Tennessee Central Ry. Co.	5,332,700	----	5,332,700	193,700
Texas City Terminal Ry. Co.	1,897,000	----	1,897,000	----
Texas Okla. & Eastern RR. Co.	108,740	108,740	----	----
Texas & Pacific Ry. Co.	2,035,000	----	2,035,000	789,000
Texas-South-Eastern RR. Co.	30,000	----	30,000	30,000
Tuckerton RR. Co.	45,000	6,000	39,000	39,000
The Utah Idaho Cent. RR. Corp.	452,000	----	452,000	210,080
Wabash Ry. Co. (receivers)	25,981,583	8,200	25,973,383	10,241,800
Western Pacific RR. Co.	4,366,000	----	4,366,000	1,403,000
Western Pacific RR. Co. (trustees)	13,502,922	----	13,502,922	3,711,408
Wichita Falls & Southern RR. Co.	750,000	----	750,000	500,000
Wrightsville & Tennille RR.	22,525	----	22,525	22,525
Totals	935,022,087	116,782,912	810,325,175	353,698,921

*Includes two guarantees of $350,000 each (one of which has been canceled); in addition the Corporation also guaranteed the payment of interest.

a The loan to Minneapolis St. Paul & Sault Ste. Marie Ry. Co. (The Soo Line) was secured by its bonds, the interest on which was guaranteed by the Canadian Pacific Ry. Co. and when the "Soo Line" went into bankruptcy, we sold the balance due on the loan to the Canadian Pacific, receiving $662,245.50 in cash and Canadian Pacific Ry. Co. notes for $5,500,000, maturing over a period of 10 years, $1,050,000 of which matured and has been paid.

b Includes a $5,000,000 guarantee (now canceled); in addition the Corporation also guaranteed the payment of interest.

c Includes $320,000 guarantee by the Corporation of securities sold by it. Since the sale, $128,000 of the $320,000 has been repaid by the railroad, thus reducing the Corporation's liability under the guarantee.

d Includes an agreement by which the Corporation may be required, or may elect, to repurchase at any time prior to maturity, $4,150,000 securities sold by it (now canceled).

In addition to the above loans authorized the Corporation has approved, in principle, loans in the amount of $394,799,259 upon the performance of specified conditions. Of this amount $334,370,821 has been canceled, leaving $60,428,438 outstanding at the end of the month.

Petroleum And Its Products

(Continued from Page 634)

from Sept. 1 and 1.45 cents a gallon above the level ruling on the comparable date last year, a survey of 50 leading cities by the American Petroleum Institute disclosed. Service station prices, before taxes, on Oct. 1 were up 10 points at 14.04 cents from a month earlier, and 1.84 cents better than on Oct. 1, 1940.

Prices of both the above are currently at their highest levels since the Fall of 1938, it was pointed out in the report. The service station price of 19.99 cents, which includes 5.95 cents in taxes, is the highest since November of 1937 and compares with 19.89 cents on Sept. 1, last, and 18.10 cents a gallon on Oct. 1, last year. Prices would be even higher, it is thought, were it not for the fair price ceiling established by the Government.

Inventories of finished, unfinished and aviation motor fuel showed a seasonal gain of 511,000 barrels during the Oct. 11 week, according to the mid-week report of the American Petroleum Institute, rising to 81,381,000 barrels. Production of gasoline rose to 13,515,000 barrels from 13,359,000 barrels in the previous week. Refinery operations rose to 94.7% of capacity, with daily average runs of crude oil to stills gaining 60,000 to 4,075,000 barrels.

Ten refining companies in Western Pennsylvania have been granted 15-day exemptions from an order prohibiting gasoline shipments from 17 Eastern States to eastern Ohio, it was announced in Pittsburgh early this week by J. W. Frey of the Office of Petroleum Coordinator. The announcement was made at a meeting of refiners and distributors, held to consider gasoline supply problems in eastern Ohio, which has not been subject to the same rationing as the Eastern States. He also said that he had recommended that permanent exceptions be made to a rule forbidding shipments of aviation gasoline and other non-motor fuel grades to Ohio. The order permitting gasoline shipments is merely to allow companies to clear up previous committments.

Price changes were confined again mainly to local readjustments with the Federal "fair price" table still remaining a ceiling on the general price structure.

Foreign Front

(Continued from Page 636)

would prefer a pacific United States, while commiting encroachments upon other countries. But the Japanese rulers are desperate after five years of continuous warfare against China, and even the risk of war with Britain and the United States may not deter the Tokio militarists if the Germans administer further defeats upon the European Russian forces.

Panama

Without preliminary warnings of any kind a coup d'etat was effected in the Central American republic of Panama, last Thursday, with the result that the Fascist-inclined President Arnulfo Arias was displaced by Ricardo Adolfo de la Guardia, ranking Cabinet officer under the former President. This "Palace Revolution" would have attracted little attention in ordinary circumstances, since changes effected by such swift means are far from unknown in Latin-America. Only a few days before, however, Dr. Arias had prohibited arming of the numerous American-owned merchant ships which now fly the Panamanian flag.

Whether or not the change in government in Panama can be linked to the order respecting the arming of merchant ships is not clear. Washington spokesmen denied emphatically any moves tending toward this upset. The change, however, was welcomed in the capital, where it was viewed as preliminary to further arming of vessels owned by the United States Government. Several of these vessels have been sunk by German submarines in recent weeks, and relations between Germany and Panama became strained in consequence. Cooperation by Panama in the defense arrangements of the Canal also seems to have been improved as a result of the change, according to Panama reports.

No one familiar with the succession of regimes in Panama can regret the change that now has taken place. The Washington assurances of non - intervention should be taken at their face value, and it is to be hoped that other Latin-Americans will not see in the change a threat to their institutions from Washington. After being ousted, Dr. Arias flew by airplane to Havana, but after a few days in that Cuban city he embarked for his own country and presumably will receive just and proper treatment there.

Cash Subscriptions To Treasury Offering Of 2½% Bonds Of 1961-72 Total Ten Billion

The Treasury Department announced on Oct. 11 that preliminary reports as to the offering on Oct. 9 of $1,200,000,000 of 2½% Treasury Bonds of 1967-72 showed cash subscriptions slightly in excess of $10,000,000,000. It was also made known that about 90% of the holders of the 1¼% Treasury Notes of Series C-1941, maturing Dec. 15, 1941 in amount of $204,425,000, were exchanging their notes for the new 2½% bonds.

The subscription books for the receipt of cash subscriptions were closed at the close of business Oct. 9 while the exchange subscriptions were received up to Oct. 10.

An additional amount of $100,000,000 of the bonds may be sold to Government Investment Accounts during the next month.

The following bearing on the new bonds is from the Treasury's announcement of Oct. 9:

> The Treasury Bonds of 1967-72, offered for cash subscription and in exchange for the notes due Dec. 15, 1941, will be dated Oct. 20, 1941, and will bear interest from that date at the rate of 2½% per annum, payable semi-annually on Mar. 15 and Sept. 15. The first coupon due March 15, 1942, will be for a fractional period. The bonds will mature Sept. 15, 1972, but may be redeemed, at the option of the United States, on and after Sept. 15, 1967. They will be issued in two forms: bearer bonds with interest coupons attached, and bonds registered both as to principal and interest. Both forms will be issued in the denominations of $50, $100, $500, $1,000, $5,000, $10,000 and $100,000.
>
> Pursuant to the provisions of the Public Debt Act of 1941, interest upon the bonds now offered shall not have any exemption, as such, under Federal Tax Acts now or hereafter enacted. Otherwise the securities will be accorded the same exemptions from taxation as are accorded other issues of Treasury bonds now outstanding.

This Treasury financing operation is the largest of its kind since the World War Liberty Bond issues. The only other recent cash transaction comparing with the present one was in June 1936, when the Treasury sold $1,106,000,000 of 15-18 year 2¾% bonds and five-year 1⅜% notes in connection with the Soldiers' Bonus payment.

The text of the Treasury's official circular follows:

UNITED STATES OF AMERICA
2½% Treasury Bonds of 1967-72

Dated and bearing interest from
Oct. 20, 1941. Due Sept. 15, 1972
Redeemable at the option of the
United States at par and accrued interest on and after
Sept. 15, 1967.
Interest payable March 15 and
Sept. 15.

Treasury Department,
Office of the Secretary,
Washington, Oct. 9, 1941.

1941
Department Circular No. 670

Fiscal Service
Bureau of the Public Debt

I. Offering of Bonds

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for 2½% bonds of the United States, designated Treasury Bonds of 1967-72. The amount of the public offering is $1,200,000,000, or thereabouts, with the right reserved to the Secretary of the Treasury to increase the offering by an amount sufficient to accept all subscriptions for which Treasury Notes of Series C-1941, maturing Dec. 15, 1941, are tendered in payment and accepted. In addition to the amount offered for public subscription, $100,000,000, or thereabouts, of these bonds may be allotted to Government investment accounts against cash payment.

II. Description of Bonds

1. The bonds will be dated Oct. 20, 1941, and will bear interest from that date at the rate of 2½% per annum, payable on a semi-annual basis on March 15 and Sept. 15 in each year until the principal amount becomes payable. They will mature Sept. 15, 1972, but may be redeemed at the option of the United States on and after Sept. 15, 1967, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege and will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $50, $100, $500, $1,000, $5,000, $10,000 and $100,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. Subscription and Allotment

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be alloted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Cash subscriptions from all others must be accompanied by payment of 10% of the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice: and any action he may take in these respects shall be final. Subject to these reservations, subscriptions in payment of which Treasury Notes of Series C-1941 are tendered will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. Payment

1. Payment at par and accrued interest, if any, for bonds allotted on cash subscriptions hereunder must be made or completed on or before Oct. 20, 1941, or on later allotment. In every case where payment is not so completed, the payment with application up to 10% of the amount of bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district. Treasury Notes of Series C-1941, maturing Dec. 15, 1941, with coupon dated Dec. 15, 1941, attached, will be accepted at par in payment for any bonds subscribed for and allotted, and should accompany the subscription. Accrued interest from June 15, 1941 to Oct. 20, 1941, ($4.33743 per $1,000), will be paid following acceptance of the notes.

V. General Provisions

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

Henry Morgenthau, Jr.,
Secretary of the Treasury.

Reserve Banks Report On Business

(Continued from Page 637)

as compared with 26% in August.

Coal production is stimulated by industrial expansion and lead ore shipments are nearly a half larger. Construction continues at a very high level.

Good rains and the absence of killing frosts have produced an abundance of fall feed and livestock will go into the winter in exceptionally good contion.

Eleventh (Dallas) District

According to the Dallas Federal Reserve Bank, the distribution of commodities to consumers in the Eleventh District increased sharply during August. The Reserve Bank of Dallas, in indicating this in its "Monthly Business Review" of Oct. 1, further said:

> On a seasonally adjusted basis, department store sales were at an exceptionally high level, exceeding by a wide margin that for any month during the 22 years for which data are available. Retail merchants continued to make heavy purchases of merchandise; wholesale trade expanded in August and averaged about one-third higher than a year ago. Employment and payrolls in Texas rose further during the month. Following a marked increase in July, consumption of cotton at textile mills in Texas declined in August, but remained at a much higher rate than in the corresponding month last year. The production of crude petroleum increased substantially during August, and the output of petroleum products, as measured by crude oil runs to refinery stills, reached a new peak for the second consecutive month.

Twelfth (San Francisco) District

Industrial production in the Twelfth District continued to expand during August and September, and the advance was accompanied by further increases in factory employment and payrolls which again established new records, according to the Federal Reserve Bank of San Francisco. Under date of Sept. 30 the bank further reported:

> Disregarding a large seasonal increase in workers at fruit and vegetable canneries, the principal gains in August in the actual number of employed workers occurred in the aircraft and shipbuilding industries, as in other months of the past year or more.
>
> New private residential building declined slightly in August, although some seasonal expansion has been customary in that month.
>
> Consumer buying at district department stores advanced sharply in August, seasonal factors considered, value of sales exceeding that of a year earlier by 34%. Preliminary data indicate, however, that this large gain was not retained in September.

LEGAL ODDITIES

Lo—The Poor Attorney

The Stan Corporation was on the rocks, and the president admitted that fact to the corporation's attorney—if admission were necessary.

"We'll go up the flue inside of three months, but I wish we could see some way of saving the Juniper mill, at least," the president said, "it's worth at least $15,000, and the present mortgage is about $5,000.

"Well, you owe me $10,000 for legal services," the attorney stated.

"Fortunately for you, you were paid as fast as your services were rendered, while our other creditors waited," the president reminded him.

"That's true enough, just between you and me," the attorney admitted, "but I can easily make up an itemized bill for $10,000, you put it in your files, pass the necessary resolutions, and deed me the plant in full payment of my bill."

A week later the attorney recorded a deed of the Juniper property to himself, and, within three days, the mortgagee of the plant paid him an official visit.

"My mortgage and interest, $5,500, are past due, and I want my money right now," the mortgagee averred.

The attorney gave him a check.

The next day the tax collector called.

"The back taxes on the Juniper plant that you bought are $1,300, and I'll sell the land if it's not paid," the collector stated.

The attorney gave him a check.

The next caller was one of the Corporation's creditors.

"The Corporation owes me $7,000," the creditor announced. "That deed of the Juniper plant to you was fraudulent, and unless I get my money I'm going to start suit to set aside your deed."

"Crack on; I can fight a lawsuit as cheap as you," the attorney told him.

The creditor was as good as his word, the courts found that the deed was fraudulent, ordered it be set aside, and then the attorney played his last card.

"You can take the plant and get as much out of it as you can, but you've got to pay me the mortgage and taxes that I paid out in hard cash," the attorney argued.

"The deed was fraudulent, you knew it, and you took part in the fraud, so you have no right to recover the money that you paid out in pursuance of an actual fraudulent scheme," the creditor contended.

On this point the general rule is that if a party takes a fraudulent deed and he himself takes part in the actual fraud, should he pay out money on the property, he cannot get the money back when the deed is set aside by creditors; this rule has been upheld by the Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, South Carolina, Vermont and Virginia Courts, as well as by the Supreme Court of the United States.

"Where, at the time of the execution of the conveyance of real estate made and received for the purpose of defrauding the creditors of the grantors, the grantee, as a part of the same transaction, agrees with the grantors to pay off certain existing valid encumbrances upon the real estate so fraudulently conveyed,, and subsequently, and in pursuance of such agreement, the grantee pays such encumbrances, he cannot, when such conveyances are declared fraudulent and void as against the creditors of the grantors, hold such conveyances as security for the amounts so paid," says the North Dakota Supreme Court in a case on the point.

N. Y. State Factories Continue to Expand Operations, Says Industrial Commissioner

According to a statement released on Oct. 10 by Industrial Commissioner Frieda S. Miller, factory employment in New York State rose 2.5% from the middle of August to the middle of September. Payrolls rose 3.8% in the month. For the first time this year, the month-to-month percentage changes were not better than the average changes for the same month over the past 2 years. The average August to September gains are 2.9% for employment and 3.9% for payrolls. The usual large seasonal gains were reported this month by many consumers' goods industries, particularly at canning, candy, women's clothing, men's furnishings, novelty, jewelry and printing firms. Although most factories making defense materials continued to expand, the rate of increase is declining since peak activity for existing facilities is being approached. Several non-defense plants began to lay off workers this month due to lack of materials. Miss Miller's statement goes on to say:

> The pressure for wage rate increases this month was greatest at plants making civilian goods. The strikes at two knitting mills, that were reported last month, were settled with the granting of wage rate increases of three cents per hour in one case and of 13% in the other. Several other textile mills reported wage rate increases of between 5 and 10%. Among the other industries, wage rate gains were reported by glass, gypsum, wood products, raincoat, button, oil refining, paint and paper goods firms. Part of the 1.2% gain in average weekly earnings for New York State factory workers as a whole from August to September can be attributed to these wage rate increases.
>
> The State Department of Labor's indexes, based on the 1925-27 average as 100, were 125.9 for employment and 151.9 for payrolls. Compared with September, 1940, there were 29.5% more workers employed this September on a payroll that was 54.7% higher. The spread between the figures for this year and last declined this month since comparison is now being made with figures for last year, when defense expansion had begun in earnest.
>
> Preliminary tabulations covering the reports from 2,390 representative factories throughout the State form the basis for the statements made in this release. These factories employed 612,152 workers at an average weekly wage of $35.02 during the middle week of September. The Division of Statistics and Information under the direction of Dr. E. B. Patton is responsible for the collection, tabulation and analysis of these data.

Employment and Payroll Gains Reported by All Industrial Districts

All seven industrial districts reported gains in both employment and payrolls from August to September. However, Utica and New York City were the only two localities in which these gains were greater than those in the Statewide totals In Utica, over 1,100 new workers were hired by firearms plants and over 500 knit goods workers that had been on strike in August went back to their jobs with a three cents per hour gain in wages. The reporting airplane, shipbuilding, machinery and instrument firms in New York City hired about 2,000 additional employees for defense work. These gains coupled with the usual seasonal increases at apparel, printing, gift items and food products firms resulted in very good gains for the city totals during the month. In Syracuse, all industries reported improvement in either employment, payrolls or both with the best gains at automobile plants due to the start of work on the new models. Although the employment gain in the Binghamton-Endicott-Johnson City area was only 0.6%, greatly increased activity is indicated by the 3.3% payroll gain. Both shoe and business machine firms expanded payrolls and hours much more than they increased employment.

In the Rochester, Albany-Schenectady-Troy and Buffalo districts, the movements in the component industries were much more varied than in the other districts this month. Large gains reported by Rochester canning and railroad equipment firms were more than sufficient to offset the losses at apparel firms. Albany-Schenectady-Troy defense firms reported little expansion during the month, but gains at consumers' goods firms, particularly those making textiles, shirts and brushes were mainly responsible for the gains in the totals. Despite sizable layoffs at Buffalo steel mills and food and clothing concerns, the total of the small increases in most other industries was sufficient to produce gains in the district totals.

	Aug. to Sept., '41 —% Change—		Sept., '40 to Sept., '41 —% Change—	
City—	Empl.	Payr.	Empl.	Payr.
Utica	+4.5	+5.1	+37.7	+80.5
New York City	+3.1	+5.2	+23.3	+39.9
Syracuse	+2.7	+3.3	+25.1	+48.9
Rochester	+2.3	+2.8	+24.3	+50.5
Albany-Schenectady-Troy	+1.1	+1.4	+48.8	+83.1
Buffalo	+0.7	+0.3	+37.8	+60.7
Binghamton-Endicott-Johnson City	+0.6	+3.3	+14.3	+59.9

Bale Cotton Sales Up

Unfixed call sales of cotton increased 75,900 bales during the week ended Oct. 3 to 759,400 bales, compared with 1,109,050 bales a year earlier, the U. S. Department of Agriculture said on Oct. 10. The Department further said:

> Of total sales outstanding on Oct. 3—3,400 sales were based on the October future and 191,000 on the December future of the current year, while 6,600 bales were based on the January future of next year; 233,500 on March, 186,400 on May, 130,600 on July, 7,800 on October, and 100 on December.
>
> Unfixed call purchases increased 21,400 bales to 176,100 bales on Oct. 3 compared with 73,800 bales on the corresponding date last year. At the recent date, 1,000 bales were based on October, 96,300 on December, 300 on January, 38,500 on March, 30,500 on May, and 9,500 on July.
>
> This statement includes only call sales and purchases based on New York cotton futures, as reported to the Commodity Exchange Administration by merchants with futures contracts of 5,000 bales or more in a single future. The figures released, therefore, do not cover all such transactions.

IN THIS SECTION

(Continued from First Page)

Bonds remain stationary.
Page 636

Steel ouptut still hampered by labor troubles.
Page 613

Car loading at 917,516 cars.
Page 6[illegible]5

Immediate steps to define U. S. and British trade relations urged in declaration of foreign trade convention—Views on stabilization, government controls, etc.
Page 609

President Roosevelt discloses plan to rehabilitate the health of draftees rejected for army service.
Page 640

New York State factories continue to expand their operations in September.
Page 640

President Fuller of N. A. M. recommends 8-point labor program for Defense Mediation Board to follow.
Page 620

Price control measures viewed by Brookings Institution as non-effective unless farm products and wages are controlled.
Page 627

Petroleum and its Products—Crude price advance postponement asked by OPA—Government probing background cost conditions—Phillips says advance needed to avoid possible shortage—Standard of New Jersey turns down Mexican offer—Tanker program expanded—Daily average crude output up: stocks decline—Reopening of U. S. probe asked—Refined products—Gasoline prices contra-seasonally higher—Dealer, service station prices highest in two years—Motor fuel inventories gain—Refinery operations 94.7%—Movements of motor fuel to Ohio permitted.
Page 614

Business failures drop substantially in September to lowest level of year.
Page 621

"Chain Store Age" index of August sales reaches new high mark.
Page 627

Twenty-nine chain store and mail order companies report August sales of $370,832,667.
Page 627

Weekly Output of Steel in September Second Highest on Record.
Page 626

September Engineering Construction $514,251,000—Less than August but 40% greater than September, 1940.
Page 628

Preliminary figures show that August soft coal production totaled 45,650,000 net tons. Anthracite production placed at 5,246,000 net tons.
Page 627

Steel production continuing to be affected by labor situation. Output estimated at 98%.
Page 630

Labor Bureau's wholesale price index advances 0.4% in week ended Oct. 4.
Page 628

A. G. Davis sees flow of capital into enterprise hampered with governmental agencies competing—Urges securities commissioners to keep channels open.
Page 623

Warning by M. S. Szymczak of Reserve System of possible further tightening of credit.
Page 619

Hotel sales in August up 13% from year ago, report Horwath & Horwath.
Page 626

President Roosevelt asks Congress to permit arming of U. S. merchant ships—Special message on amending Neutrality Act also suggests ending prohibition on entry of ships into belligerent ports.
Page 626

Further tightening of instalment credit under reserve regulation would penalize middle and lower income groups, says A. O. Deitz in addresses at Boston.
Page 623

Present wave of wage increases is fourth since 1933, conference board reports.
Page 628

Simplified income tax form to be ready for distribution by Jan. 1—Secretary Morgenthau approves rules covering its use.
Page 629

Hearings on revision of state insurance law to be held Oct. 20-21 in New York City.
Page 621

SEC reports 21 security issues aggregating $108,230,000 became effectively registered in August.
Page 617

Mid-September farm product prices 43% above year ago.
Page 618

Competitive bidding opposed by Lewis W. Douglas.
Page 618